

**375 Structures and improvements.**

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See gas plant instruction 8.)

**376 Mains.**

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

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

## ITEMS

1. Caissons, tunnels, trestles, etc. for submarine mains.
2. Clamps, leak (bell and spigot) when installed at time of construction; when clamps are installed subsequent to construction, the accounting shall be in accordance with gas plant instruction 10, paragraph (C) 1.
3. Drip lines and pots.
4. Electrolysis tests, in connection with new construction.
5. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
6. Hauling, unloading, and stringing pipe.
7. Lamping and watching new construction.
8. Line pack gas.
9. Municipal inspection.
10. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
11. Permits.
12. Pipe coating.
13. Pipe and fittings.
14. Pipe laying.
15. Pipe supports.
16. Protection of street openings.
17. Relocating city storm and sanitary sewers, catch basins, etc., or protecting same in connection with new construction.
18. Replacement of municipal drains and culverts in connection with new construction.
19. Roadway boxes.
20. Shifting excavated material due to traffic conditions in connection with new construction.
21. Sleeves and couplings.
22. Special crossovers, bridges and foundations for special construction.
23. Surveying and staking lines.
24. Valves not associated with pumping or regulating equipment.
25. Welding.
26. Wood blocking.

**377 Compressor station equipment.**

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

## ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
2. Compressed air system equipment.
3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
4. Electric system equipment, including generating equipment and driving units power wiring, transformers, regulators, battery equipment, switchboard, etc.
5. Fire fighting equipment.
6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.
7. Laboratory and testing equipment.
8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
9. Office furniture and fixtures and general equipment such as steel lockers, first-aid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc.
10. Shop tools and equipment.
11. Water supply and circulation system, including water well, tank water piping, cooling tower, spray fence and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

**378 Measuring and regulating station equipment—General.**

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

## ITEMS

1. Automatic control equipment.
2. Foundations.
3. Gauges and instruments.
4. Governors or regulators.
5. Meters.
6. Odorizing equipment.
7. Oil fogging equipment.
8. Piping.
9. Pressure relief equipment.
10. Vaults or pits, including valves contained therein.

NOTE: By-passes outside governor pits are includible in account 376, Mains.

**379 Measuring and regulating station equipment—City gate check stations.**

This account shall include the cost installed of meters, gauges, and other equipment used in measuring and regulating the receipt of gas at entry points to distribution systems.

NOTE: Pipeline companies, including companies who measure deliveries of gas to their own distribution system, shall include in the transmission function classification city gate and main line industrial measuring and regulating stations.

ITEMS

(See account 378 for items.)

**380 Services.**

A. This account shall include the cost installed of service pipes and accessories leading to the customers' premises.

B. A complete service begins with the connection on the main and extends to but does not include the connection with the customer's meter. A stub service extends from the main to the property line, or the curb stop.

C. Services which have been used but have become inactive shall be retired from utility plant in service immediately if there is no prospect for reuse, and, in any event, shall be retired by the end of the second year following that during which the service became inactive unless reused in the interim.

ITEMS

1. Curb valves and curb boxes.
2. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
3. Landscaping, including lawns, and shrubbery.
4. Municipal inspection.
5. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
6. Permits.
7. Pipe and fittings, including saddle, T, or other fitting on street main.
8. Pipe coating.
9. Pipe laying.
10. Protection of street openings.
11. Service drips.
12. Service valves, at head of service, when installed or furnished by the utility.

**381 Meters.**

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

B. When a meter is permanently retired from service, the installed cost included herein shall be credited to this account.

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

ITEMS

1. Meters, including badging and initial testing.

Meter installations:

2. Cocks.
3. Labor.
4. Locks.
5. Meter bars.
6. Pipe and fittings.
7. Seals.
8. Shelves.
9. Swivels and bushings.
10. Transportation.

NOTE A: At the option of the utility, costs of meter installations may be accounted for separately from the cost of meters in accordance with the provisions of account 382, Meter Installations. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

NOTE B: The cost of removing and resetting meters shall be charged to account 878, Meter and House Regulator Expenses.

**382 Meter installations.**

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

B. When a meter installation is permanently retired from service, the cost thereof shall be credited to this account.

ITEMS

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

## 9. Transportation.

NOTE: At the option of the utility, meter installations may be accounted for as part of the cost installed of meters, in accordance with the provisions of account 381, Meters. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

**383 House regulators.**

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

B. When a house regulator is permanently retired from service, the installed cost thereof shall be credited to this account.

## ITEMS

1. House regulator.
- House regulator installations:
2. Cocks.
3. Labor.
4. Locks.
5. Pipe and fittings.
6. Regulator vents.
7. Swivels and bushings.
8. Transportation.

NOTE: At the option of the utility, costs of house regulator installations may be accounted for separately from the cost of house regulators in accordance with the provisions of account 384, House Regulator Installations. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

**384 House regulator installations.**

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

B. When a house regulator installation is permanently retired from service, the cost thereof shall be credited to this account.

## ITEMS

1. Cocks.
2. Labor.
3. Locks.
4. Pipe and fittings.
5. Regulator vents.
6. Swivels and bushings.
7. Transportation.

NOTE: At the option of the utility, house regulator installations may be accounted for as part of the cost installed of house regulators in accordance with the provisions of account 383, House Regulators. The practice,

however, shall be consistent from year to year and throughout the utility's system.

**385 Industrial measuring and regulating station equipment.**

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

## ITEMS

(See account 378 for items.)

NOTE A: Do not include in this account measuring and regulating station equipment serving main line industrial customers. (See account 369.)

NOTE B: By-passes outside of governor pits are includible in account 376, Mains.

**386 Other property on customers' premises.**

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

**387 Other equipment.**

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

## ITEMS

1. Carbon monoxide tester and indicators.
2. Explosimeters.
3. Fire extinguisher.
4. Gas masks.
5. Lockers.
6. Portable pump.
7. Recording gauges.
8. Street lighting equipment.
9. Test meters.
10. Watchmen's clocks.

**388 Asset retirement costs for distribution plant.**

This account shall include asset retirement costs on plant included in the distribution plant function.

**389 Land and land rights.**

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land

rights accounts. (See gas plant instruction 7.)

### 390 Structures and improvements.

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See gas plant instruction 8.)

### 391 Office furniture and equipment.

This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

#### ITEMS

1. Book cases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting-room equipment.
4. Filing, storage and other cabinets.
5. Floor covering.
6. Library and library equipment.
7. Mechanical office equipment such as accounting machines, typewriters, etc.
8. Safes.
9. Tables.

### 392 Transportation equipment.

This account shall include the cost of transportation vehicles used for utility purposes.

#### ITEMS

1. Airplanes.
2. Automobiles.
3. Bicycles.
4. Electrical vehicles.
5. Motor trucks.
6. Motorcycles.
7. Repair cars or trucks.
8. Tractors and trailers.
9. Other transportation vehicles.

### 393 Stores equipment.

This account shall include the cost of equipment used for the receiving, shipping, handling and storage of materials and supplies.

#### ITEMS

1. Chain falls.
2. Counters.
3. Cranes (portable).
4. Elevating and stacking equipment (portable).
5. Hoists.

6. Lockers.
7. Scales.
8. Shelving.
9. Storage bins.
10. Trucks, hand and power driven.
11. Wheelbarrows.

### 394 Tools, shop and garage equipment.

This account shall include the cost of tools, implements, and equipment used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.

#### ITEMS

1. Air compressors.
2. Anvils.
3. Automobile repair shop equipment.
4. Battery charging equipment.
5. Belts, shafts and countershafts.
6. Boilers.
7. Cable pulling equipment.
8. Concrete mixers.
9. Derricks.
10. Drill presses.
11. Electric equipment.
12. Engines.
13. Forges.
14. Foundations and settings specially constructed for equipment in this account and not expected to outlast the equipment for which provided.
15. Furnaces.
16. Gas producers.
17. Gasoline pumps, oil pumps, and storage tanks.
18. Greasing tools and equipment.
19. Hoists.
20. Ladders.
21. Lathes.
22. Machine tools.
23. Motor driven tools.
24. Motors.
25. Pipe threading and cutting tools.
26. Pneumatic tools.
27. Pumps.
28. Riveters.
29. Smithing equipment.
30. Tool racks.
31. Vises.
32. Welding apparatus.
33. Work benches.

### 395 Laboratory equipment.

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

#### ITEMS

1. Balances and scales.

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

### 396 Power operated equipment.

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

#### ITEMS

1. Air compressors, including driving unit and vehicle.
2. Back filling machines.
3. Boring machines.
4. Bulldozers.
5. Cranes and hoists.
6. Diggers.
7. Engines.
8. Pile drivers.
9. Pipe cleaning machines.
10. Pipe coating or wrapping machines.
11. Tractors—Crawler type.
12. Trenchers.
13. Other power operated equipment.

NOTE: It is intended that this account include only such large units as are generally self-propelled or mounted on movable equipment.

### 397 Communication equipment.

This account shall include the cost installed of telephone, telegraph and wireless equipment for general use in connection with the utility's gas operations. (See account 370 for communication equipment used wholly or predominantly in connection with oper-

ation and maintenance of the transmission system.)

#### ITEMS

1. Carrier terminal equipment including repeaters, power supply equipment, transmitting and receiving sets.
2. Microwave equipment, including power supply equipment, transmitters, amplifiers, paraboloids, towers, reflectors, receiving equipment, etc.
3. Radio equipment, fixed and mobile, including antenna, power equipment, transmitters and receivers, and portable receiver-transmitter units.
4. Telephone equipment including switchboards, power and testing equipment, conductors, pole lines, etc.

### 398 Miscellaneous equipment.

This account shall include the cost of equipment, apparatus, etc., used and useful in gas operations, which is not includible in any other account.

#### ITEMS

1. Hospital and infirmary equipment.
2. Kitchen equipment.
3. Operator's cottage furnishings.
4. Radios.
5. Recreation equipment.
6. Restaurant equipment.
7. Soda fountains.
8. Other miscellaneous equipment.

NOTE: Miscellaneous equipment of the nature indicated above wherever practicable shall be assigned to the utility plant accounts on a functional basis.

### 399 Other tangible property.

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

#### 399.1 Asset retirement costs for general plant.

This account shall include asset retirement costs on plant included in the general plant function.

### Income Chart of Accounts

#### 1. UTILITY OPERATING INCOME

##### OPERATING EXPENSES

- 400 Operating revenues.
- 401 Operation expense.
- 402 Maintenance expense.
- 403 Depreciation expense.
- 404.1 Amortization and depletion of producing natural gas land and land rights.
- 404.2 Amortization of underground storage land and land rights.

- 404.3 Amortization of other limited-term gas plant.
- 405 Amortization of other gas plant.
- 406 Amortization of gas plant acquisition adjustments.
- 407.1 Amortization of property losses, unrecovered plant and regulatory study costs.
- 407.2 Amortization of conversion expense.
- 407.3 Regulatory debits.
- 407.4 Regulatory credits.
- 408 [Reserved]
- 408.1 Taxes other than income taxes, utility operating income.
- 409 [Reserved]
- 409.1 Income taxes, utility operating income.
- 410 [Reserved]
- 410.1 Provision for deferred income taxes, utility operating income.
- 411 [Reserved]
- 411.1 Provision for deferred income taxes—Credit, utility operating income.
- 411.3 [Reserved]
- 411.4 Investment tax credit adjustments, utility operations.
- 411.6 Gains from disposition of utility plant.
- 411.7 Losses from disposition of utility plant. Total utility operating expenses.

#### OTHER OPERATING INCOME

- 412 Revenues from gas plant leased to others.
- 413 Expenses of gas plant leased to others.
- 414 Other utility operating income. Net utility operating income.

### 2. OTHER INCOME AND DEDUCTIONS

#### A. OTHER INCOME

- 415 Revenues from merchandising, jobbing and contract work.
- 416 Costs and expenses of merchandising, jobbing and contract work.
- 417 Revenues from nonutility operations.
- 417.1 Expenses of nonutility operations.
- 418 Nonoperating rental income.
- 418.1 Equity in earnings of subsidiary companies.
- 419 Interest and dividend income.
- 419.1 Allowance for other funds used during construction.
- 421 Miscellaneous nonoperating income.
- 421.1 Gain on disposition of property. Total other income.

#### B. OTHER INCOME DEDUCTIONS

- 421.2 Loss on disposition of property.
- 425 Miscellaneous amortization.
- 426 [Reserved]
- 426.1 Donations.
- 426.2 Life insurance.
- 426.3 Penalties.
- 426.4 Expenditures for certain civic, political and related activities.
- 426.5 Other deductions. Total other income deductions. Total other income and deductions.

#### C. TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS

- 408.2 Taxes other than income taxes, other income and deductions.
- 409.2 Income taxes, other income and deductions.
- 410.2 Provision for deferred income taxes, other income and deductions.
- 411.2 Provision for deferred income taxes—Credit, other income and deductions.
- 411.5 Investment tax credit adjustments, nonutility operations.
- 420 Investment tax credits. Total taxes on other income and deductions. Net other income and deductions.

#### 3. INTEREST CHARGES

- 427 Interest on long-term debt.
- 428 Amortization of debt discount and expense.
- 428.1 Amortization of loss on reacquired debt.
- 429 Amortization of premium on debt—Credit.
- 429.1 Amortization of gain on reacquired debt—Credit.
- 430 Interest on debt to associated companies.
- 431 Other interest expense.
- 432 Allowance for borrowed funds used during construction—Credit. Net interest charges.

#### 4. EXTRAORDINARY ITEMS

- 434 Extraordinary income.
- 435 Extraordinary deductions.
- 409.3 Income taxes, extraordinary items. Net income

### Income Accounts

#### 400 Operating revenues.

There shall be shown under this caption the total amount included in the gas operating revenue accounts provided herein.

#### 401 Operation expense.

There shall be shown under this caption the total amount included in the gas operation expense accounts provided herein. (See note to operating expense instruction 3.)

#### 402 Maintenance expense.

There shall be shown under this caption the total amount included in the gas maintenance expense accounts provided herein.

#### 403 Depreciation expense.

A. This account shall include the amount of depreciation expense for all classes of depreciable gas plant in service except such depreciation expense as

is chargeable to clearing accounts or to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

B. The utility shall keep such records of property and property retirements as will reflect the service life of property which has been retired and aid in estimating probable service life by mortality, turnover, or other appropriate methods; and also such records as will reflect the percentage of salvage and cost of removal for property retired from each account, or subdivision thereof, for depreciable gas plant.

NOTE A: Depreciation expense applicable to property included in account 104, Gas Plant Leased to Others, shall be charged to account 413, Expenses of Gas Plant Leased to Others.

NOTE B: Depreciation expense applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment and other general equipment may be charged to clearing accounts as necessary in order to obtain a proper distribution of expenses between construction and operation.

#### **403.1 Depreciation expense for asset retirement costs.**

This account shall include the depreciation expense for asset retirement costs included in gas utility plant in service.

#### **404.1 Amortization and depletion of producing natural gas land and land rights.**

A. This account shall include charges for amortization and depletion of producing natural gas land and land rights. (See account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant).

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

#### **404.2 Amortization of underground storage land and land rights.**

A. This account shall include charges for amortization of land and land rights of underground storage projects for natural gas. (See account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant.)

mulated Provision for Amortization and Depletion of Gas Utility Plant.)

B. The charges to this account shall be made in such manner as to distribute the cost of amortizable land and land rights over the period of their benefit to the utility, and with respect to any land or land rights which include native gas in the storage reservoir, such amounts shall be amortized or depleted on the basis of production of such native gas after the volume of stored gas has been withdrawn from the reservoir.

#### **404.3 Amortization of other limited-term gas plant.**

This account shall include amortization charges applicable to amounts included in the gas plant accounts for limited-term franchises, licenses, patent rights limited-term interests in land, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant.)

#### **405 Amortization of other gas plant.**

A. When authorized by the Commission, this account shall include charges for amortization of intangible or other gas utility plant, which does not have a definite or terminable life and which is not subject to charges for depreciation expense.

B. This account shall be supported in such detail as to show the amortization applicable to each investment being amortized, together with the book cost of the investment and the period over which it is being written off.

#### **406 Amortization of gas plant acquisition adjustments.**

This account shall be debited or credited, as the case may be, with amounts includible in operating expenses, pursuant to approval or order of the Commission, for the purpose of providing for the extinguishment of the amount in account 114, Gas Plant Acquisition Adjustments.

**407.1 Amortization of property losses, unrecovered plant and regulatory study costs.**

This account shall be charged with amounts credited to Account 182.1, Extraordinary Property Losses, and Account 182.2 Unrecovered Plant and Regulatory Study Costs, when the Commission has authorized the amount in the latter account to be amortized by charges to gas operating expenses.

**407.2 Amortization of conversion expenses.**

This account shall be charged with amortization of amounts authorized by the Commission to be included in Account 186, Miscellaneous Deferred Debits, for expenses incurred in the conversion of distribution plant from manufactured gas service to natural gas service.

**407.3 Regulatory debits.**

This account shall be debited, when appropriate, with the amounts credited to Account 254, Other Regulatory Liabilities, to record regulatory liabilities imposed on the utility by the ratemaking actions of regulatory agencies. This account shall also be debited, when appropriate, with the amounts credited to Account 182.3, Other Regulatory Assets, concurrent with the recovery of such amounts in rates.

**407.4 Regulatory credits.**

This account shall be credited, when appropriate, with the amounts debited to Account 182.3, Other Regulatory Assets, to establish regulatory assets. This account shall also be credited, when appropriate, with the amounts debited to Account 254, Other Regulatory Liabilities, concurrent with the return of such amounts to customers through rates.

**408 [Reserved]****SPECIAL INSTRUCTIONS***Accounts 408.1 and 408.2*

A. These accounts shall include the amounts of ad valorem, gross revenue or gross receipts, taxes, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by federal, state, county, mu-

nicipal, or other local governmental authorities, except income taxes.

B. These accounts shall be charged in each accounting period with the amounts of taxes which are applicable thereto, with concurrent credits to account 236, Taxes Accrued, or account 165, Prepayments, as appropriate. When it is not possible to determine the exact amounts of taxes, the amounts shall be estimated and adjustments made in current accruals as the actual tax levies become known.

C. The charges to these accounts shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering more than one utility service, taxes of the kind includible in these accounts shall be assigned directly to the utility department the operation of which gave rise to the tax in so far as a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis after appropriate study to determine such basis.

NOTE A: Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

NOTE B: Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE C: Gasoline and other sales taxes shall be charged as far as practicable to the same amount as the materials on which the tax is levied.

NOTE D: Social security and other forms of so-called payroll taxes shall be distributed to utility departments and to nonutility functions on a basis related to payroll. Amounts applicable to construction shall be charged to the appropriate plant accounts.

NOTE E: Interest on tax refunds or deficiencies shall not be included in these accounts but in account 419, Interest and Dividend Income, or 431, Other Interest Expense, as appropriate.

**408.1 Taxes other than income taxes, utility operating income.**

This account shall include those taxes other than income taxes which relate to utility operating income. This account shall be maintained so as to allow ready identification of the various classes of taxes relating to Utility Operating Income (by department), Utility Plant Leased to Others and Other Utility Operating Income.



**408.2 Taxes other than income taxes, other income and deductions.**

This account shall include those taxes other than income taxes which relate to Other Income and Deductions.

**409 [Reserved]**

## SPECIAL INSTRUCTIONS

*Accounts 409.1, 409.2 and 409.3*

A. These accounts shall include the amounts of local, state and federal income taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amounts of taxes become known, the current tax accruals shall be adjusted by charges or credits to these accounts so that these accounts as nearly as can be ascertained shall include the actual taxes payable by the utility.

B. The accruals for income taxes shall be apportioned among utility departments and to Other Income and Deductions so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or Other Income and Deductions, the income from which gave rise to the tax. The tax effects relating to Interest Charges shall be allocated between utility and nonutility operations. The basis for this allocation shall be the ratio of net investment in utility plant to net investment in nonutility plant.

NOTE A: Taxes assumed by the utility on interest shall be charged to account 431, Other Interest Expense.

NOTE B: Interest on tax refunds or deficiencies shall not be included in these accounts but in account 419, Interest and Dividend Income, or account 431, Other Interest Expense, as appropriate.

**409.1 Income taxes, utility operating income.**

This account shall include the amount of those local, state and federal income taxes which relate to utility operating income. This account shall be maintained so as to allow ready identification of tax effects (both positive and negative) relating to Utility Operating Income (by department), Utility Plant Leased to Others and Other Utility Operating Income.

**409.2 Income taxes, other income and deductions.**

This account shall include the amount of those local, state and fed-

eral income taxes (both positive and negative), which relate to Other Income and Deductions.

**409.3 Income taxes, extraordinary items.**

This account shall include the amount of those local, state and federal income taxes (both positive and negative), which relate to Extraordinary Items.

**410 [Reserved]**

## SPECIAL INSTRUCTIONS

*Accounts 410.1, 410.2, 411.1 and 411.2*

A. Accounts 410.1 and 410.2 shall be debited, and Accumulated Deferred Income Taxes shall be credited with amounts equal to any current deferrals of taxes on income or any allocations of deferred taxes originating in prior periods, as provided by the texts of accounts 190, 281, 282 and 283. There shall not be netted against entries required to be made to these accounts any credit amounts appropriately includible in accounts 411.1 or 411.2.

B. Accounts 411.1 and 411.2 shall be credited, and Accumulated Deferred Income Taxes shall be debited with amounts equal to any allocations of deferred taxes originating in prior periods or any current deferrals of taxes on income, as provided by the texts of accounts 190, 281, 282, and 283. There shall not be netted against entries required to be made to these accounts any debit amounts appropriately includible in accounts 410.1 or 410.2.

**410.1 Provision for deferred income taxes, utility operating income.**

This account shall include the amounts of those deferrals of taxes and allocations of deferred taxes which relate to Utility Operating Income (by department).

**410.2 Provision for deferred income taxes, other income and deductions.**

This account shall include the amounts of those deferrals of taxes and allocations of deferred taxes which relate to other income and deductions.

**411 [Reserved]****411.1 Provision for deferred income taxes—Credit, utility operating income.**

This account shall include the amounts of those allocations of deferred taxes and deferrals of taxes,

credit, which relate to Utility Operating Income (by department).

**411.2 Provision for deferred income taxes—Credit, other income and deductions.**

This account shall include the amounts of those allocations of deferred taxes and deferrals of taxes, credit, which relate to Other Income and Deductions.

**411.3 [Reserved]**

**SPECIAL INSTRUCTIONS**

*Accounts 411.4 and 411.5*

A. Account 411.4 shall be debited with the amounts of investment tax credits related to gas utility property that are credited to account 255, Accumulated Deferred Investment Tax Credits, by companies which do not apply the entire amount of the benefits of the investment credit as a reduction of the overall income tax expense in the year in which such credit is realized (see account 255).

B. Account 411.4 shall be credited with the amounts debited to account 255 for proportionate amounts of tax credit deferrals allocated over the average useful life of gas utility property to which the tax credits relate or such lesser period of time as may be adopted and consistently followed by the company.

C. Account 411.5 shall also be debited and credited as directed in paragraphs A and B, for investment tax credits related to non-utility property.

**411.4 Investment tax credit adjustments, utility operations.**

This account shall include the amount of those investment tax credit adjustments related to property used in Utility Operations (by department).

**411.5 Investment tax credit adjustments, nonutility operations.**

This account shall include the amount of those investment tax credit adjustments related to property used in Nonutility Operations.

**411.6 Gains from disposition of utility plant.**

A. This account shall include, as approved by the Commission, amounts relating to gains from the disposition of future use utility plant including amounts which were previously recorded in and transferred from account

105, Gas Plant Held for Future Use and account 105.1, Production Properties Held for Future Use, under the provisions of paragraphs B, C, and D thereof. Income taxes relating to gains recorded in this account shall be recorded in account 409.1, Income Taxes, Utility Operating Income.

B. The utility shall record in this account gains resulting from the settlement of asset retirement obligations related to utility plant in accordance with the accounting prescribed in General Instruction 24.

**411.7 Losses from disposition of utility plant.**

A. This account shall include, as approved by the Commission, amounts relating to losses from the disposition of future use utility plant including amounts which were previously recorded in and transferred from account 105, Gas Plant Held for Future Use and account 105.1, Production Properties Held for Future Use, under the provisions of paragraphs B, C, and D thereof. Income taxes relating to losses recorded in this account shall be recorded in account 409.1, Income Taxes, Utility Operating Income.

B. The utility shall record in this account losses resulting from the settlement of asset retirement obligations related to utility plant in accordance with the accounting prescribed in General Instruction 24.

**411.10 Accretion expense.**

This account shall be charged for accretion expense on the liabilities associated with asset retirement obligations included in account 230, Asset retirement obligations, related to gas utility plant.

**412 Revenues from gas plant leased to others.**

**413 Expenses of gas plant leased to others.**

A. These accounts shall include, respectively, revenues from gas property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 104, Gas Plant Leased to Others, and the expenses attributable to such property.

B. The detail of expenses shall be kept or supported so as to show separately the following:

Operation.  
Maintenance.  
Depreciation.  
Amortization.

NOTE: Related taxes shall be recorded in account 408.1, Taxes Other Than Income Taxes, Utility Operating Income, or account 409.1, Income Taxes, Utility Operating Income, as appropriate.

#### 414 Other utility operating income.

A. This account shall include the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 118, Other Utility Plant.

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

NOTE: Related taxes shall be recorded in account 408.1, Taxes Other Than Income Taxes, Utility Operating Income, or account 409.1, Income Taxes, Utility Operating Income, as appropriate.

#### 415 Revenues from merchandising, jobbing and contract work.

#### 416 Costs and expenses of merchandising, jobbing and contract work.

A. These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and all expenses incurred in such activities. Interest related income from installment sales shall be recorded in Account 419, Interest and Dividend Income.

B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

NOTE A: The classification of revenues, costs and expenses of merchandising, jobbing and contract work as nonoperating, and thus inclusion in this account, is for accounting purposes. It does not preclude consideration for justification to the contrary for rate-making or other purpose.

NOTE B: Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

#### ITEMS

##### Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.

2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

##### Account 416:

##### Labor:

1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.

2. Demonstrating and selling activities in sales rooms.

3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.

4. Installing piping or other property work on a jobbing or contract basis.

5. Preparing advertising materials for appliance sales purposes.

6. Receiving and handling customer orders for merchandise or for jobbing services.

7. Cleaning and tidying sales rooms.

8. Maintaining display counters and other equipment used in merchandising.

9. Arranging merchandise in sales rooms and decorating display windows.

10. Reconditioning repossessed appliances.

11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.

12. Supervising merchandise and jobbing operations.

##### Materials and expenses:

13. Advertising in newspapers, periodicals, radio, television, etc.

14. Cost of merchandise sold and of materials used in jobbing work.

15. Stores expenses on merchandise and jobbing stocks.

16. Fees and expenses of advertising and commercial artists' agencies.

17. Printing booklets, dodgers, and other advertising data.

18. Premiums given as inducement to buy appliances.

19. Light, heat, and power.

20. Depreciation on equipment used primarily for merchandise and jobbing operations.

21. Rent of sales rooms or of equipment.

22. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.

23. Stationery and office supplies and expenses.

24. Losses from uncollectible merchandise and jobbing accounts.

**417 Revenues from nonutility operations.****417.1 Expenses of nonutility operations.**

A. These accounts shall include revenues and expenses applicable to operations which are nonutility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as the operation of an ice department where applicable statutes do not define such operation as a utility, or the operation of a servicing organization for furnishing supervision, management, engineering, and similar services to others.

B. The expenses shall include all elements of costs incurred in such operations, and the accounts shall be maintained so as to permit ready summarization as follows:

- Operation.
- Maintenance.
- Rents.
- Depreciation.
- Amortization.

NOTE B: Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

**418 Nonoperating rental income.**

A. This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property, which is not used in operations covered by accounts 417 or 417.1.

B. The expenses shall include all elements of costs incurred in the ownership and rental of property and the accounts shall be maintained so as to permit ready summarization as follows:

- Operation.
- Maintenance.
- Rents.
- Depreciation.
- Amortization.

NOTE: Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

**418.1 Equity in earnings of subsidiary companies.**

This account shall include the utility's equity in the earnings or losses of subsidiary companies for the year.

**419 Interest and dividend income.**

A. This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

B. This account may include the pro rata amount necessary to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the face value of interest-bearing securities. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried.

C. Where significant in amount expenses, excluding operating taxes and income taxes, applicable to security investments and to interest and dividend revenues thereon shall be charged hereto.

NOTE A: Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

NOTE B: Interest accrued, the payment of which is not reasonably assured, dividends receivable which have not been declared or guaranteed, and interest or dividends upon reacquired securities issued or assumed by the utility shall not be credited to this account.

**419.1 Allowance for other funds used during construction.**

This account shall include concurrent credits for allowance for other funds used during construction, not to exceed amounts computed in accordance with the formula prescribed in Gas Plant Instruction 3(17).

**420 Investment tax credits.**

This account shall be credited as follows with investment tax credit amounts not passed on to customers:

(a) By amounts equal to debits to accounts 411.4, Investment Tax Credit Adjustments, Utility Operations, and 411.5, Investment Tax Credit Adjustments, Nonutility Operations, for investment tax credits used in calculating income taxes for the year when the company's accounting provides for nondeferral of all or a portion of such credits; and,

(b) By amounts equal to debits to account 255, Accumulated Deferred Investment Tax Credits, for proportionate amounts of tax credit deferrals allocated over the average useful life of the property to which the tax credits relate, or such lesser period of time as may be adopted and consistently used by the company.

#### **421 Miscellaneous nonoperating income.**

This account shall include all revenue and expense items except taxes properly includible in the income account and not provided for elsewhere. Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

##### ITEMS

1. Profit on sale of timber. (See gas plant instruction 7C.)
2. Profits from operations of others realized by the utility under contracts.
3. Gains on disposition of investments. Also gains on reacquisition and resale or retirement of utilities debt securities when the gain is not amortized and used by a jurisdictional regulatory agency to reduce embedded debt cost in establishing rates. See General Instruction 17.
4. This account shall include the accretion expense on the liability for an asset retirement obligation included in account 230, Asset retirement obligations, related to non-utility plant.
5. This account shall include the depreciation expense for asset retirement costs related to nonutility plant.
6. The utility shall record in this account gains resulting from the settlement of asset retirement obligations related to nonutility plant in accordance with the accounting prescribed in General Instruction 24.

#### **421.1 Gain on disposition of property.**

This account shall be credited with the gain on the sale, conveyance, exchange or transfer of utility or other

property to another. Amounts relating to gains on land and land rights held for future use recorded in accounts 105, Gas Plant Held for Future Use and 105.1, Production Properties Held for Future Use, will be accounted for as prescribed in paragraphs B, C, and D thereof. (See gas plant instructions 5F, 7E, and 10E.) Income taxes on gains recorded in this account shall be recorded in account 409.2, Income Taxes, Other Income and Deductions.

#### **421.2 Loss on disposition of property.**

This account shall be charged with the loss on the sale, conveyance, exchange or transfer of utility or other property to another. Amounts relating to losses on land and land rights held for future use recorded in accounts 105, Gas Plant Held for Future Use and 105.1, Production Properties Held for Future Use, will be accounted for as prescribed in paragraphs B, C, and D thereof. (See gas plant instructions 5F, 7E, and 10E.) The reduction in income taxes relating to losses recorded in this account shall be recorded in account 409.2, Income Taxes, Other Income and Deductions.

#### **425 Miscellaneous amortization.**

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program.

##### ITEMS

1. Amortization of utility plant acquisition adjustments, or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.
2. Other miscellaneous amortization charges allowed to be included in this account by the Commission.

##### SPECIAL INSTRUCTIONS

*Accounts 426.1, 426.2, 426.3, 426.4 and 426.5*

These accounts shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

NOTE: The classification of expenses as nonoperating and their inclusion in these accounts is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

#### **426.1 Donations.**

This account shall include all payments or donations for charitable, social or community welfare purposes.

#### **426.2 Life insurance.**

This account shall include all payments for life insurance of officers and employees where company is beneficiary (net premiums less increase in cash surrender value of policies).

#### **426.3 Penalties.**

This account shall include payments by the company for penalties or fines for violation of any regulatory statutes by the company or its officials.

#### **426.4 Expenditures for certain civic, political and related activities.**

This account shall include expenditures for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances) or approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials, but shall not include such expenditures which are directly related to appearances before regulatory or other governmental bodies in connection with the reporting utility's existing or proposed operations.

#### **426.5 Other deductions.**

This account shall include other miscellaneous expenses which are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

#### **ITEMS**

1. Loss relating to investments in securities written-off or written-down.
2. Loss on sale of investments.
3. Loss on reacquisition, resale or retirement of utility's debt securities, when the loss is not amortized and used by a jurisdictional regulatory agency to increase embedded debt cost in establishing rates. See General Instruction 17.

4. Preliminary survey and investigation expenses related to abandoned projects, when not written-off to the appropriate operating expense account.

5. Costs of preliminary abandonment costs recorded in accounts 182.1, Extraordinary Property Losses, and 182.2, Unrecovered Plant and Regulatory Study Costs, not allowed to be amortized to account 407.1, Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs.

6. The utility shall record in this account losses resulting from the settlement of asset retirement obligations related to nonutility plant in accordance with the accounting prescribed in General Instruction 24.

7. Interest on long-term debt.

#### **427 Interest on long-term debt.**

A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

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

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

#### **428 Amortization of debt discount and expense.**

A. This account shall include the amortization of unamortized debt discount and expense on outstanding long-term debt. Amounts charged to this account shall be credited concurrently to accounts 181, Unamortized Debt Expense, and 226, Unamortized Discount on Long-Term Debt—Debit.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

#### **428.1 Amortization of loss on reacquired debt.**

A. This account shall include the amortization of the losses on reacquisition of debt. Amounts charged to this account shall be credited concurrently to account 189, Unamortized Loss on Reacquired Debt.

B. This account shall be maintained so as to allow ready identification of

the loss amortized applicable to each class and series of long-term debt reacquired. See General Instruction 17.

**429 Amortization of premium on debt—Credit.**

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 225, Unamortized Premium on Long-Term Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

**429.1 Amortization of gain on reacquired debt—Credit.**

A. This account shall include the amortization of the gains realized from reacquisition of debt. Amounts credited to this account shall be charged concurrently to account 257, Unamortized Gain on Reacquired Debt.

B. This account shall be maintained so as to allow ready identification of the gains amortized applicable to each class and series of long-term debt reacquired. See General Instruction 17.

**430 Interest on debt to associated companies.**

A. This account shall include interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

**431 Other interest expense.**

This account shall include all interest charges not provided for elsewhere.

**ITEMS**

1. Interest on notes payable on demand or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.

2. Interest on customers' deposits.

3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.

4. Income and other taxes levied upon bondholders of utility and assumed by it.

**432 Allowance for borrowed funds used during construction—Credit.**

This account shall include concurrent credits for allowance for borrowed funds used during construction, not to exceed amounts computed in accordance with the formula prescribed in Gas Plant Instruction 3(17).

**434 Extraordinary income.**

This account shall be credited with gains of unusual nature and infrequent occurrence, which would significantly distort the current year's income computed before Extraordinary Items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in account 409.3, Income Taxes, Extraordinary Items. (See General Instruction 7.)

**435 Extraordinary deductions.**

This account shall be debited with losses of unusual nature and infrequent occurrence, which would significantly distort the current year's income computed before Extraordinary Items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in account 409.3, Income Taxes, Extraordinary Items. (See General Instruction 7.)

**Retained Earnings Chart of Accounts**

433 Balance transferred from income.

436 Appropriations of retained earnings.

437 Dividends declared—preferred stock.

438 Dividends declared—common stock.

439 Adjustments to retained earnings.

**Retained Earnings Accounts**

**433 Balance transferred from income.**

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

**436 Appropriations of retained earnings.**

This account shall include appropriations of retained earnings.

## ITEMS

1. Appropriations required under terms of mortgages, orders of courts, contracts, or other agreements.
2. Appropriations required by action of regulatory authorities.
3. Other appropriations made at option of utility for specific purposes.

**437 Dividends declared—preferred stock.**

A. This account shall include amounts declared payable out of retained earnings as dividends on actually outstanding preferred or prior lien capital stock issued by the utility.

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

**438 Dividends declared—common stock.**

A. This account shall include amounts declared payable out of retained earnings as dividends on actually outstanding common capital stock issued by the utility.

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

**439 Adjustments to retained earnings.**

A. This account shall, with prior Commission approval, include significant nonrecurring transactions accounted for as prior period adjustments, as follows:

(1) Correction of an error in the financial statements of a prior year.

(2) Adjustments that result from realization of income tax benefits of pre-acquisition operating loss carryforwards of purchased subsidiaries.

All other items of profit and loss recognized during a year shall be included in the determination of net income for that year.

B. Adjustments, charges, or credits due to losses on reacquisition, resale or retirement of the company's own capital stock shall be included in this account. (See account 210, Gain on Resale

or Cancellation of Reacquired Capital Stock, for the treatment of gains.)

**Operating Revenue Chart of Accounts****1. SALES OF GAS**

- 480 Residential sales.
- 481 Commercial and industrial sales.
- 482 Other sales to public authorities.
- 483 Sales for resale.
- 484 Interdepartmental sales.
- 485 Intracompany transfers.

**2. OTHER OPERATING REVENUES**

- 487 Forfeited discounts.
- 488 Miscellaneous service revenues.
- 489.1 Revenues from transportation of gas of others through gathering facilities.
- 489.2 Revenues from transportation of gas of others through transmission facilities.
- 489.3 Revenues from transportation of gas of others through distribution facilities.
- 489.4 Revenues from storing gas of others.
- 490 Sales of products extracted from natural gas.
- 491 Revenues from natural gas processed by others.
- 492 Incidental gasoline and oil sales.
- 493 Rent from gas property.
- 494 Interdepartmental rents.
- 495 Other gas revenues.
- 496 Provision for rate refunds.

**Operating Revenue Accounts****480 Residential sales.**

A. This account shall include the net billing for gas supplied for residential or domestic purposes.

B. Records shall be maintained so that the quantity of gas sold and the revenues received under each rate schedule shall be readily available.

NOTE: When gas supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account or account 481, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

**481 Commercial and industrial sales.**

A. This account shall include the net billing for gas supplied to commercial and industrial customers.

B. Records shall be maintained so that the quantity of gas sold and revenue received under each rate schedule shall be readily available.



C. Records shall be maintained so as to show separately the revenues from commercial and industrial customers, as follows:

Large commercial and industrial sales (wherein shall be included the revenues from customers which use large volumes of gas, generally in excess of 200,000 Dth per year or approximately 800 Dth per day of normal requirements. Reasonable deviations are permissible in order that transfers of customers between the large and small classifications may be minimized).

Small commercial and industrial sales (wherein shall be included the revenues from customers which use volumes of gas generally less than 200,000 Mcf per year or less than approximately 800 Mcf per day of normal requirements).

NOTE: When gas supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account or in account 480, Residential Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

#### 482 Other sales to public authorities.

A. This account shall include the net billing for gas supplied to municipalities or divisions or agencies of Federal or State Governments, under special contracts or agreements or service classifications, applicable only to public authorities, for general governmental and institutional purposes, except any revenues under rate schedules the revenues from which are includible in account 481 or 483, and except any revenues from gas used for purposes such as powerplant fuel for publicly owned electric systems, manufacturing processes of arsenals, etc., and other major uses of gas which appropriately may be classified in account 481, Commercial and Industrial Sales.

B. Records shall be maintained so that the quantity of gas sold and the revenue received from each customer and from each major special contract shall be readily available.

#### 483 Sales for resale.

A. This account shall include the net billing for gas supplied to other gas

utilities or to public authorities for resale purposes.

B. Records shall be maintained so that there shall be readily available the revenues for each customer under each revenue schedule and the billing determinants, as applicable, i.e., volume of gas (actual and billing), contract demand, maximum actual demand, billing demand, and Btu adjustment factor.

NOTE: Revenues from gas supplied to other public utilities for use by them and not for distribution, shall be included in account 481, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

#### 484 Interdepartmental sales.

A. This account shall include amounts charged by the gas department at tariff or other specified rates for gas supplied by it to other utility departments.

B. Records shall be maintained so that the quantity of gas supplied each other department and the charge made therefor shall be readily available.

#### 485 Intracompany transfers

A. This account shall include, for informational purposes only, the amount recorded for gas supplied by the production division when the price is not determined by a cost-of-service rate proceeding.

B. Records shall be maintained so that the quantity of gas transferred shall be readily available.

#### 487 Forfeited discounts.

This account shall include the amount of discounts forfeited or additional charges imposed because of the failure of customers to pay gas bills on or before a specified date.

#### 488 Miscellaneous service revenues.

This account shall include revenues from all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

#### ITEMS

1. Fees for changing, connecting, or disconnecting service.

2. Profit on maintenance of appliances, piping, gas firing, and other utilization facilities, or other installations on customers' premises.

3. Net credit or debit (cost less net salvage and less payment from customers) on closing work orders for plant installed for temporary service of less than 1 year. (See account 185, Temporary Facilities.)

4. Recovery of expenses in connection with gas diversion cases. (Billing for the gas consumed shall be included in the appropriate gas revenue account.)

5. Services performed for other gas companies for testing and adjusting meters, changing charts, etc.

**489.1 Revenues from transportation of gas of others through gathering facilities.**

This account includes revenues from transporting gas for other companies through the gathering facilities of the utility.

**489.2 Revenues from transportation of gas of others through transmission facilities.**

This account includes revenues from transporting gas for other companies through the transmission facilities of the utility.

**489.3 Revenues from transportation of gas of others through distribution facilities.**

This account includes revenues from transporting gas for other companies through the distribution facilities of the utility.

**489.4 Revenues from storing gas of others.**

This account includes revenues from storing gas for other companies.

**490 Sales of products extracted from natural gas.**

A. This account shall include revenues from sales of gasoline, butane, propane, and other products extracted from natural gas, net of allowances, adjustments, and discounts, including sales of similar products purchased for resale.

B. Records shall be maintained so that the quantity, sales price, and revenues for each type of product sold to each purchaser shall be readily available.

**491 Revenues from natural gas processed by others.**

A. This account shall include revenues from royalties and permits, or other bases of settlement, for permission granted others to remove products from natural gas of the utility.

B. The records supporting this account must be maintained so that full information concerning determination of the revenues will be readily available concerning each processor of gas of the utility, including as applicable (a) The Dth of gas delivered to such other party for processing, (b) the Dth of gas received back from the processor, (c) the field, general production area, or other source of the gas processed, (d) Dth of gas used for processing fuel, etc., which is chargeable to the utility, (e) total gallons of each product recovered by the processor and the utility's share thereof, (f) the revenues accruing to the utility, and (g) the basis of determination of the revenues accruing to the utility. Such records shall be maintained even though no revenues are derived from the processor.

**492 Incidental gasoline and oil sales.**

This account shall include revenues from natural gas gasoline produced direct from gas wells or recovered from drips or obtained in connection with purification or dehydration processes, and revenues from oil obtained from wells which produce oil and gas, the investment in which is carried in accounts 330, Producing Gas Wells—Well Construction, and 331, Producing Gas Wells—Well Equipment.

**493 Rent from gas property.**

A. This account shall include rents received for the use by others of land, buildings, and other property devoted to gas operations by the utility.

B. When property owned by the utility is operated jointly with others under a definite arrangement for sharing the actual expenses among the parties to the arrangement, any amount received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account.

NOTE: Do not include rent from property constituting an operating unit or system in this account. (See account 412, Revenues From Gas Plant Leased to Others.)

#### 494 Interdepartmental rents.

This account shall include credits for rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate actual costs among the departments using the property, any allowance to the gas department for interest or return and depreciation and taxes shall be credited to this account.

#### 495 Other gas revenues.

This account includes revenues derived from gas operations not includible in any of the foregoing accounts.

#### ITEMS

1. Commission on sale or distribution of gas of others when sold under rates filed by such others.
2. Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.
3. Profit or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.
4. Sales of steam, water, or electricity, including sales or transfers to other departments of the utility.
5. Miscellaneous royalties received.
6. Revenues from dehydration and other processing of gas of others, except products extraction where products are received as compensation and sales of such are includible in account 490, Sales of Products Extracted From Natural Gas, and except compression of gas of others, revenues from which are includible in accounts 489.1, 489.2, or 489.3, Revenues from Transportation of Gas of Others.
7. Include in a separate subaccount, revenues in payment for rights and/or benefits received from others which are realized through research, development, and demonstration ventures.
8. Include in a separate subaccount, gains on settlements of imbalance receivables and payables (See Accounts 174 and 242) and gains on replacement of encroachment volumes (See Account 117.4). Records must be maintained and readily available to support the gains included in this account.
9. Include in a separate subaccount revenues from penalties earned pursuant to tariff provisions, including penalties associated with cash-out settlements.

#### 496 Provision for rate refunds.

A. This account shall be charged with provisions for the estimated pretax effects on net income of the portions of amounts being collected subject to refund which are estimated to be required to be refunded. Such provisions shall be credited to Account 229, Accumulated Provision for Rate Refunds.

B. This account shall also be charged with amounts refunded when such amounts had not been previously accrued.

C. Income tax effects relating to the amounts recorded in this account shall be recorded in account 410.1, Provision for Deferred Income Taxes, Utility Operating Income, or account 411.1, Provision for Deferred Income Taxes—Credit, Utility Operating Income, as appropriate.

#### Operation and Maintenance Expense Chart of Accounts

##### 1. PRODUCTION EXPENSES

##### A. MANUFACTURED GAS PRODUCTION

##### A.1. Steam Production

##### OPERATION

- 700 Operation supervision and engineering.
- 701 Operation labor.
- 702 Boiler fuel.
- 703 Miscellaneous steam expenses.
- 704 Steam transferred—Credit.

##### MAINTENANCE

- 705 Maintenance supervision and engineering.
- 706 Maintenance of structures and improvements.
- 707 Maintenance of boiler plant equipment.
- 708 Maintenance of other steam production plant.

##### A.2. Manufactured Gas Production

##### OPERATION

- 710 Operation supervision and engineering.

##### PRODUCTION LABOR AND EXPENSES

- 711 Steam expenses.
- 712 Other power expenses.
- 713 Coke oven expenses.
- 714 Producer gas expenses.
- 715 Water gas generating expenses.
- 716 Oil gas generating expenses.
- 717 Liquefied petroleum gas expenses.
- 718 Other process production expenses.

##### GAS FUELS

- 719 Fuel under coke ovens.

- 720 Producer gas fuel.
- 721 Water gas generator fuel.
- 722 Fuel for oil gas.
- 723 Fuel for liquefied petroleum gas process.
- 724 Other gas fuels.

## GAS RAW MATERIALS

- 725 Coal carbonized in coke ovens.
- 726 Oil for water gas.
- 727 Oil for oil gas.
- 728 Liquefied petroleum gas.
- 729 Raw materials for other gas processes.
- 730 Residuals expenses.
- 731 Residuals produced—Credit.
- 732 Purification expenses.
- 733 Gas mixing expenses.
- 734 Duplicate charges—Credit.
- 735 Miscellaneous production expenses.
- 736 Rents.

## MAINTENANCE

- 740 Maintenance supervision and engineering.
- 741 Maintenance of structures and improvements.
- 742 Maintenance of production equipment.

## B. NATURAL GAS PRODUCTION EXPENSES

*B.1. Natural Gas Production and Gathering*

## OPERATION

- 750 Operation supervision and engineering.
- 751 Production maps and records.
- 752 Gas wells expenses.
- 753 Field lines expenses.
- 754 Field compressor station expenses.
- 755 Field compressor station fuel and power.
- 756 Field measuring and regulating station expenses.
- 757 Purification expenses.
- 758 Gas well royalties.
- 759 Other expenses.
- 760 Rents.

## MAINTENANCE

- 761 Maintenance supervision and engineering.
- 762 Maintenance of structures and improvements.
- 763 Maintenance of producing gas wells.
- 764 Maintenance of field lines.
- 765 Maintenance of field compressor station equipment.
- 766 Maintenance of field measuring and regulating station equipment.
- 767 Maintenance of purification equipment.
- 768 Maintenance of drilling and cleaning equipment.
- 769 Maintenance of other equipment.

*B.2. Products Extraction*

## OPERATION

- 770 Operation supervision and engineering.
- 771 Operation labor.

- 772 Gas shrinkage.
- 773 Fuel.
- 774 Power.
- 775 Materials.
- 776 Operation supplies and expenses.
- 777 Gas processed by others.
- 778 Royalties on products extracted.
- 779 Marketing expenses.
- 780 Products purchased for resale.
- 781 Variation in products inventory.
- 782 Extracted products used by the utility—Credit.
- 783 Rents.

## MAINTENANCE

- 784 Maintenance supervision and engineering.
- 785 Maintenance of structures and improvements.
- 786 Maintenance of extraction and refining equipment.
- 787 Maintenance of pipe lines.
- 788 Maintenance of extracted products storage equipment.
- 789 Maintenance of compressor equipment.
- 790 Maintenance of gas measuring and regulating equipment.
- 791 Maintenance of other equipment.

## C. EXPLORATION AND DEVELOPMENT EXPENSES

## OPERATION

- 795 Delay rentals.
- 796 Nonproductive well drilling.
- 797 Abandoned leases.
- 798 Other exploration.

## D. OTHER GAS SUPPLY EXPENSES

## OPERATION

- 800 Natural gas well head purchases.
- 800.1 Natural gas well head purchases, intracompany transfers.
- 801 Natural gas field line purchases.
- 802 Natural gas gasoline plant outlet purchases.
- 803 Natural gas transmission line purchases.
- 804 Natural gas city gate purchases.
- 804.1 Liquefied natural gas purchases.
- 805 Other gas purchases.
- 805.1 Purchased gas cost adjustments.
- 806 Exchange gas.
- 807 Purchased gas expenses.
- 808.1 Gas withdrawn from storage—Debt.
- 808.2 Gas delivered to storage—Credit.
- 809.1 Withdrawals of liquefied natural gas held for processing—Debt.
- 809.2 Deliveries of natural gas for processing—Credit.
- 810 Gas used for compressor station fuel—Credit.
- 811 Gas used for products extraction—Credit.
- 812 Gas used for other utility operations—Credit.
- 813 Other gas supply expenses.

Federal Energy Regulatory Commission

Pt. 201

2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES

A. UNDERGROUND STORAGE EXPENSES

- 814 Operation supervision and engineering.
- 815 Maps and records.
- 816 Wells expenses.
- 817 Lines expenses.
- 818 Compressor station expenses.
- 819 Compressor station fuel and power.
- 820 Measuring and regulating station expenses.
- 821 Purification expenses.
- 822 Exploration and development.
- 823 Gas losses.
- 824 Other expenses.
- 825 Storage well royalties.
- 826 Rents.

MAINTENANCE

- 830 Maintenance supervision and engineering.
- 831 Maintenance of structures and improvements.
- 832 Maintenance of reservoirs and wells.
- 833 Maintenance of lines.
- 834 Maintenance of compressor station equipment.
- 835 Maintenance of measuring and regulating station equipment.
- 836 Maintenance of purification equipment.
- 837 Maintenance of other equipment.

B. OTHER STORAGE EXPENSES

OPERATION

- 840 Operation supervision and engineering.
- 841 Operation labor and expenses.
- 842 Rents.
- 842.1 Fuel.
- 842.2 Power.
- 842.3 Gas losses.

MAINTENANCE

- 843.1 Maintenance supervision and engineering.
- 843.2 Maintenance of structures and improvements.
- 843.3 Maintenance of gas holders.
- 843.4 Maintenance of purification equipment.
- 843.5 Maintenance of liquefaction equipment.
- 843.6 Maintenance of vaporizing equipment.
- 843.7 Maintenance of compressor equipment.
- 843.8 Maintenance of measuring and regulating equipment.
- 843.9 Maintenance of other equipment.

C. LIQUEFIED NATURAL GAS TERMINALING AND PROCESSING EXPENSES

OPERATION

- 844.1 Operation supervision and engineering.
- 844.2 LNG processing terminal labor and expenses.
- 844.3 Liquefaction processing labor and expenses.

- 844.4 LNG transportation labor and expenses.
- 844.5 Measuring and regulating labor and expenses.
- 844.6 Compressor station labor and expenses.
- 844.7 Communication system expenses.
- 844.8 System control and load dispatching.
- 845.1 Fuel.
- 845.2 Power.
- 845.3 Rents.
- 845.4 Demurrage charges.
- 845.5 Wharfage receipts—credit.
- 845.6 Processing liquefied or vaporized gas by others.
- 846.1 Gas losses.
- 846.2 Other expenses.

MAINTENANCE

- 847.1 Maintenance supervision and engineering.
- 847.2 Maintenance of structures and improvements.
- 847.3 Maintenance of LNG processing terminal equipment.
- 847.4 Maintenance of LNG transportation equipment.
- 847.5 Maintenance of measuring and regulating equipment.
- 847.6 Maintenance of compressor station equipment.
- 847.7 Maintenance of communication equipment.
- 847.8 Maintenance of other equipment.

3. TRANSMISSION EXPENSES

OPERATION

- 850 Operation supervision and engineering.
- 851 System control and load dispatching.
- 852 Communication system expenses.
- 853 Compressor station labor and expenses.
- 854 Gas for compressor station fuel.
- 855 Other fuel and power for compressor stations.
- 856 Mains expenses.
- 857 Measuring and regulating station expenses.
- 858 Transmission and compression of gas by others.
- 859 Other expenses.
- 860 Rents.

MAINTENANCE

- 861 Maintenance supervision and engineering.
- 862 Maintenance of structures and improvements.
- 863 Maintenance of mains.
- 864 Maintenance of compressor station equipment.
- 865 Maintenance of measuring and regulating station equipment.
- 866 Maintenance of communication equipment.
- 867 Maintenance of other equipment.
- 870 Operation supervision and engineering.

## 4. DISTRIBUTION EXPENSES

## OPERATION

- 871 Distribution load dispatching.
- 872 Compressor station labor and expenses.
- 873 Compressor station fuel and power (Major only).
- 874 Mains and services expenses.
- 875 Measuring and regulating station expenses—General.
- 876 Measuring and regulating station expenses—Industrial.
- 877 Measuring and regulating station expenses—City gate check stations.
- 878 Meter and house regulator expenses.
- 879 Customer installations expenses.
- 880 Other expenses.
- 881 Rents.

## MAINTENANCE

- 885 Maintenance supervision and engineering.
- 886 Maintenance of structures and improvements.
- 887 Maintenance of mains.
- 888 Maintenance of compressor station equipment.
- 889 Maintenance of measuring and regulating station equipment—General.
- 890 Maintenance of measuring and regulating station equipment—Industrial.
- 891 Maintenance of measuring and regulating station equipment—City gate check stations.
- 892 Maintenance of services.
- 893 Maintenance of meters and house regulators.
- 894 Maintenance of other equipment.

## 5. CUSTOMER ACCOUNTS EXPENSES

## OPERATION

- 901 Supervision.
- 902 Meter reading expenses.
- 903 Customer records and collection expenses.
- 904 Uncollectible accounts.
- 905 Miscellaneous customer accounts expenses.

## 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES

## OPERATION

- 907 Supervision.
- 908 Customer assistance expenses.
- 909 Informational and instructional advertising expenses.
- 910 Miscellaneous customer service and informational expenses.

## 7. SALES EXPENSES

## OPERATION

- 911 Supervision.
- 912 Demonstrating and selling expenses.

- 913 Advertising expenses.
- 914 [Reserved]
- 915 [Reserved]
- 916 Miscellaneous sales expenses.

## 8. ADMINISTRATIVE AND GENERAL EXPENSES

## OPERATION

- 920 Administrative and general salaries.
- 921 Office supplies and expenses.
- 922 Administrative expenses transferred—Credit.
- 923 Outside services employed.
- 924 Property insurance.
- 925 Injuries and damages.
- 926 Employee pensions and benefits.
- 927 Franchise requirements.
- 928 Regulatory commission expenses.
- 929 Duplicate charges—Credit.
- 930.1 General advertising expenses.
- 930.2 Miscellaneous general expenses.
- 931 Rents.

## MAINTENANCE

- 932 Maintenance of general plant.

### Operation and Maintenance Expense Accounts

#### 700 Operation supervision and engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of steam production. (See operating expense instruction 1.)

#### 701 Operation labor.

This account shall include the cost of labor used in boiler rooms and elsewhere about the premises engaged in the production of steam or assignable to the production of steam.

## ITEMS

1. Blowing flues.
2. Cleaning boilers.
3. Handling coal, coke, and breeze from place of storage to boilers.
4. Janitorial, messenger, watchmen, and similar services.
5. Operating boilers.
6. Operating elevators.
7. Pulverizing coal.
8. Pumping tar from storage tank to boilers.
9. Removing ashes.
10. Testing steam meters, gauges, and other instruments.

#### 702 Boiler fuel.

A. This account shall include the cost of coal, oil, gas, or other fuel used

in the production of steam, including applicable amounts of fuel stock expenses. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

B. Records shall be maintained to show the quantity and cost of each type of fuel used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel, except gas, and related fuel stock expenses, shall be charged initially to appropriate fuel accounts carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for basis of fuel costs and includible items of fuel stock expenses.

#### **703 Miscellaneous steam expenses.**

This account shall include the cost of materials used and expenses incurred in the production of steam, not includible in the foregoing accounts.

##### ITEMS

1. Boiler compounds.
2. Building service expenses.
3. Chemicals.
4. Communication service.
5. Lubricants.
6. Miscellaneous supplies.
7. Pumping supplies and expenses.
8. Purification supplies and expenses.
9. Tools, hand.
10. Waste.
11. Water purchased.
12. Research, development, and demonstration expenses.

#### **704 Steam transferred—Credit.**

A. This account shall include such portion of the cost of producing steam as is charged to other gas operating expense accounts, or to others or to a coordinate department under a joint facility arrangement.

B. The records supporting the entries to this account shall be so kept that the utility can furnish readily an explanation of the bases of the credits to this account and the amounts charged to (1) other gas accounts, (2) other utility departments, and (3) outside parties under a joint facility arrangement. The records shall show, likewise, the amounts of steam production operation and steam production maintenance expenses, respectively, chargeable to each of the foregoing.

NOTE A: If the utility produces gas by a single process at only one plant, credits need not be made to this account for the cost of steam used in such gas production facility.

NOTE B: Where steam is produced by producer gas equipment or waste heat boilers, and such steam becomes part of the general plant supply, this account should be charged and the steam expense account in the appropriate functional group of accounts (coal gas production, water gas production, etc.) credited with the value of such steam. However, if the steam so produced is used in the same functional operation as that through which derived, such entries need not be made.

#### **705 Maintenance supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of steam production facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

#### **706 Maintenance of structures and improvements.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and improvements used in steam production operations, the book cost of which is includible in account 305, Structures and Improvements. (See operating expense instruction 2.)

#### **707 Maintenance of boiler plant equipment.**

This account shall indicate the cost of labor, materials used and expenses incurred in the maintenance of equipment used in steam production the book cost of which is includible in account 306, Boiler Plant Equipment. (See operating expense instruction 2.)

#### **708 Maintenance of other steam production plant.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment used in steam production operations, the book cost of which is includible in account 314, Coal, Coke, and Ash Handling Equipment, or account 320, Other Equipment. (See operating expense instruction 2.)

**710 Operation supervision and engineering.**

A. This account shall include the cost of labor and expenses occurred in the general supervision and direction of the operation of manufactured gas stations. Direct supervision of specific activities such as steam production and power operations, coke oven operations, water gas generation, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

**711 Steam expenses.**

A. This account shall include the cost of steam used in manufactured gas production. This includes the cost of steam transferred from the gas department's own supply and charges for steam transferred from others or from coordinate departments under joint facility arrangements. (See account 704, Steam Transferred—Credit.)

B. This account shall be so kept as to show separately for each source of steam the point of delivery, the quantity, the charges therefor, and the bases of such charges.

**712 Other power expenses.**

This account shall include the cost of electricity or other power, except steam, used in manufactured gas operation. This includes the cost of power purchased, the operation cost of electricity or other power such as compressed air produced by the gas department and charges from others or from coordinate departments for power produced under joint facility arrangements.

**713 Coke oven expenses.**

This account shall include the cost of labor used and expenses incurred in the operation of coke ovens for the production of coal gas, exclusive of the cost of fuel for the coke ovens and coal carbonized.

## ITEMS

*Labor:*

1. Supervising.
2. Work of the following character in operation of coke ovens:
  - a. Charging and leveling coal.
  - b. Heating ovens to produce coke.
  - c. Pushing, transporting, quenching, and dumping coke on wharf.

d. Reclaiming coke spillage, removing, replacing, and luting oven doors and lids.

e. Handling and mixing luting mud.

f. Controlling oven heats and gas heating value with dilution gas.

g. Controlling flue temperature, stack drafts, collecting main pressure and the flow of flushing liquor and drains.

h. Operating, cleaning, and lubricating equipment not incidental to maintenance work, such as: charger, pusher, door operating and luting, mud mixing, gas reversal, transportation machinery and equipment, quenching pumps and tower, together with valves, instruments, meters, controls, gauges, and records connected with their operation.

1. Tar chasing (spooning tar in hot drains.)

j. Cleaning doors, jambs, and stand pipes.

3. Handling and transporting coal from storage or boats to battery bins.

4. Operating, cleaning and lubricating mechanical equipment, such as: hoist machines, conveyors and their housing, hammermills and breakers, mixing and battery bins, together with their control valves, instruments, etc.

5. Wetting and handling coke to the coke wharf or storage including cleaning and lubricating of equipment not incident to maintenance.

6. Pumping gas from ovens and maintaining the proper pressures on the collecting main and throughout the apparatus train, including cleaning and lubricating the oven gas exhausters and revivifying blowers, not incident to maintenance.

7. Removing and disposing of carbon, fines, sediment, and waste material.

8. Cleaning ovens and exhauster house, including janitor service in the employees' locker and wash room within this operating area.

*Materials and expenses:*

9. Packing, waste, lubricants, etc.

10. Small hand tools.

11. Building service, communication service, transportation.

**714 Producer gas expenses.**

This account shall include the cost of labor used and expenses incurred in making producer gas exclusive of the cost of fuel for producer gas.

## ITEMS

*Labor:*

1. Supervising.
2. Work of the following character in connection with operation of producer gas sets (excepting the waste heat boiler and auxiliaries):
  - a. Inspecting, testing, clinkering, lighting and starting set.
  - b. Controlling fire and heats with fuel charges.



c. Barring, measuring, and rodding fires.  
 d. Observing pyrometers, pressures and CO<sub>2</sub> in stack gases.

e. Regulating input materials, such as coke, steam and air and making required flow rate and operating cycle changes.

f. Cleaning and removal of ash, dust, sediment and materials from the set and connections, seal pots, duct pockets, bootlegs, collectors and pumps.

g. Cleaning and reluting producer set doors.

h. Operating, cleaning and lubricating fuel charging lorries, grates, jackets and auxiliaries, ash removal apparatus, and associated instruments, meters, gauges, controls, etc.

3. Handling fuel from storage into bins with conveyors.

4. Operating, cleaning and lubricating auxiliary equipment, not incident to maintenance work, such as coolers, pumps, blowers, exhausters or boosters, fuel handling equipment, etc.

5. Removing and disposing of ashes, sediment and other waste material.

6. Cleaning the producer and booster houses including janitorial and similar services.

*Materials and expenses:*

7. Packing, waste, lubricants, etc.
8. Small hand tools.
9. Building service, communication service, transportation.

**715 Water gas generating expenses.**

This account shall include the cost of labor used and expenses incurred in the operation of water gas sets exclusive of the cost of fuel and oil for water gas production.

ITEMS

*Labor:*

1. Supervising.
2. Work of the following character in connection with the operation of water gas sets (excepting the waste heat boiler and auxiliaries):

a. Inspecting, testing, clinkering, lighting and starting up.

b. Controlling fire and heats with fuel charges, barring and rodding fires, operating grates and jackets, taking stains, observing pyrometers, pressures, seal pot water flow and stack gases, regulating input materials such as coke, oil, natural gas, steam and air.

c. Making required flow rate and operating cycle changes.

d. Cleaning and removing ashes, carbon, and sediment from the set and connections, the wash box, seal pot, oil spray, duct pockets, bootlegs, and collectors, and cleaning and reluting producer set doors.

e. Operating, cleaning and lubricating fuel charging lorries, blowers, valves, automatic

operators, and grates, together with their instruments, gauges, and controls, also the ash belts.

3. Operating, cleaning and lubricating auxiliary equipment, such as hydraulic pumps, circulating water pumps, oil pumps from storage to sets, steam accumulators and regulators and reducers on natural gas for reforming, exhausters, revivifying air blowers, and purifier exhausters.

4. Handling fuel from storage into bins with conveyors.

5. Removing and disposing of ashes, carbon, sediment, and other waste material.

6. Cleaning of generator and exhauster houses, including janitorial and similar services.

*Materials and expenses:*

7. Packing, waste, lubricants, etc.
8. Small hand tools.
9. Building service, communication service, transportation.

**716 Oil gas generating expenses.**

This account shall include the cost of labor used and expenses incurred in the operation of equipment for the production of oil gas exclusive of cost of the oil.

ITEMS

*Labor:*

1. Supervising.
2. Cleaning, firing and operating oil gas machines.
3. Handling oil from place of storage to oil gas sets.
4. Measuring oil.
5. Removing and disposing of carbon deposits, and other cleaning and incidental labor.

*Materials and expenses:*

6. Packing, waste, lubricants, etc.
7. Small hand tools.
8. Building service, communication service, transportation.

**717 Liquefied petroleum gas expenses.**

This account shall include the cost of labor used and expenses incurred in the operation of equipment used for vaporizing petroleum derivatives such as propane, butane or gasoline exclusive of cost of the materials vaporized or used for fuel in the vaporizing process.

ITEMS

*Labor:*

1. Supervising.
2. Operating, cleaning and lubricating liquid petroleum vaporizers and injectors.
3. Taking pressures and temperatures, and reading gauges on storage tanks.

4. Inspecting and testing equipment and setting and adjusting controls and regulators.

5. Watching pressure gauges, maintaining pressures and relieving excess pressures through lines.

6. Repressuring storage tanks.

*Materials and expenses:*

7. Packing, waste, lubricants, etc.

8. Small hand tools.

9. Building service, communication service, transportation.

**718 Other process production expenses.**

This account shall include the cost of labor used and expenses incurred in operating equipment used for the production of gas by processes not provided for in the foregoing accounts.

**719 Fuel under coke ovens.**

A. This account shall include the cost of gas, other than coke oven gas or producer gas, or other fuel used under coke ovens for making coal gas. Concurrent credits shall be made to account 734, Duplicate Charges—Credit, for gas made by the utility and so used, or account 812, Gas Used for Other Utility Operations—Credit, for other gas used under coke ovens.

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

ITEMS

1. Gas made by the utility and used under coke ovens.

2. Natural and other purchased gas used under coke ovens.

**720 Producer gas fuel.**

A. This account shall include the cost of fuel used in making producer gas including applicable amounts of fuel stock expenses. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

B. Records shall be kept to show the quantity and the cost of each type of fuel used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel and related fuel stock expenses shall be charged initially to the appropriate fuel account carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See ac-

counts 151 and 152 for basis of fuel costs and includible items of fuel stock expenses.

**721 Water gas generator fuel.**

A. This account shall include the cost of fuel used in making water gas, including applicable amounts of fuel stock expenses. It shall also include the net cost of, or net proceeds from, the disposal of ashes.

B. Records shall be kept to show the quantity and cost of each type of fuel used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel and related fuel stock expenses shall be charged initially to the appropriate fuel account carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for basis of fuel costs and includible items of fuel stock expenses.

**722 Fuel for oil gas.**

This account shall include the cost of fuel for the manufacture of gas by the oil gas process.

**723 Fuel for liquefied petroleum gas process.**

This account shall include the cost of fuel for vaporization of liquefied petroleum gas and for the compression of air in liquefied petroleum gas process.

**724 Other gas fuels.**

This account shall include the cost of fuel for the manufacture of gas by processes not provided for in the above fuel accounts.

**725 Coal carbonized in coke ovens.**

A. This account shall include the cost of coal used in coke ovens for making coal gas, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of coal used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of coal carbonized and related fuel stock expenses shall be charged initially to the appropriate account carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of coal used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

**726 Oil for water gas.**

A. This account shall include the cost of oil used in carbureting water gas, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of oil used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of oil and related fuel stock expenses shall be charged initially to the appropriate accounts carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of oil used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

**727 Oil for oil gas.**

A. This account shall include the cost of oil used in making oil gas, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of oil used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of oil and related fuel stock expenses shall be charged initially to the appropriate raw materials account carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of oil used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

**728 Liquefied petroleum gas.**

A. This account shall include the cost of liquefied petroleum gas, such as propane, butane, or gasoline, vaporized for mixing with other gases or for sale unmixed, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of liquefied petroleum gas. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of liquefied petroleum gas and related fuel stock expenses shall be charged initially to the appropriate accounts under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of liquefied petroleum gas used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

**729 Raw materials for other gas processes.**

A. This account shall include the cost of raw materials used in the production of manufactured gas by any process not provided for by the foregoing accounts including the production of coal gas by use of retorts, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of each raw material used, comparable to the accounting specified in the foregoing accounts for specified types of gas processes. Respective amount of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of raw materials and fuel stock expenses shall be charged initially to the appropriate accounts carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of raw materials used. See accounts 151 and 152 for basis of raw materials costs and includible items of raw materials stock expenses.

**730 Residuals expenses.**

A. This account shall include the cost of labor, materials used and expenses incurred including uncollectible accounts in obtaining, handling, preparing, refining, and marketing residuals produced in manufactured gas production processes.

B. Divisions of this account shall be maintained for each of the principal types of expenses chargeable hereto and for each residual or by-product carried in account 731, Residuals Produced—Credit.

**731 Residuals produced—Credit.**

A. This account shall be credited and the appropriate subdivision of account 153, Residuals and Extracted Products, debited monthly with the estimated value of residuals and other by-products obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.

B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or

crediting the appropriate subdivision of account 153, Residuals and Extracted Products, with the difference.

### 732 Purification expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating purification equipment and apparatus used for conditioning manufactured gas.

#### ITEMS

##### Labor:

1. Supervising.
2. Operating conveyors, condensers, coolers, tar extractors and precipitators, shaving scrubbers and naphthalene and light oil scrubbers.
3. Emptying, rearranging, shifting, cleaning, purging, and refilling purifier boxes.
4. Removing spent oxide to refuse pile.
5. Revivifying oxide.
6. Oiling dip sheets of purifier boxes.
7. Inspecting, testing, controlling adjustments, and taking stains.
8. Cleaning and lubricating purification equipment.

##### Materials and expenses:

9. Iron oxide.
10. Unslacked lime.
11. Shavings.
12. Soda ash for liquid purifiers.
13. Wash oil for naphthalene scrubber.
14. Sulphuric acid.

### 733 Gas mixing expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating equipment for mixing natural and manufactured gas, or vaporized liquefied petroleum gases for delivery to the distribution system.

#### ITEMS

##### Labor:

1. Supervising.
2. Mixing enrichment gas and other gases or air, including mixing of liquid petroleum gas with air in a liquid petroleum air gas plant, and operation of air jetting equipment and controls.
3. Operating, cleaning and lubricating of cleaners, reducers, calorimeters, calorimixers, appliances and mixing apparatus with their related recorders, gauges, valves and controls, and gravitometers.
4. Inspecting, testing and adjusting mixing equipment.
5. Reading instruments and gauges, changing charts, and recording instrument and gauge readings.

##### Materials and expenses:

6. Packing, waste, lubricants, etc.

7. Small hand tools.
8. Building service, communication service, transportation.

### 734 Duplicate charges—Credit.

This account shall include concurrent credits for charges which are made to manufactured gas production operating expenses for manufactured gas not entering common system supply, steam or electricity used for which there is no direct money outlay.

NOTE: For manufactured gas used from the common system supply, concurrent credits shall be made to account 812, Gas Used for Other Utility Operations—Credit.

### 735 Miscellaneous production expenses.

This account shall include the cost of labor, materials used and expenses incurred in manufacturing gas production operations not includible in any of the foregoing accounts.

#### ITEMS

##### Labor:

1. Supervising.
2. Cleaning gas works yard of coke dust and other waste materials.
3. Humidifying gas or oil fogging gas at the production plant.
4. Cutting grass and care of the grounds around the gas works.
5. Clearing gas works yard of snow.
6. Janitor service and messenger service.
7. Operating elevators and other conveyances for general use at the gas works.
8. General clerical and stenographic work at gas works.
9. Guarding and patrolling plant and yard.
10. Testing plant instruments not elsewhere provided for.
11. Laboratory labor, except that chargeable to other accounts.
12. Reading manufactured gas meters, and calculating and recording hourly volumes produced.
13. Pumping drips (water) at plant (not provided for elsewhere).
14. Odorizing manufactured gas.
15. Operating, cleaning, and lubricating of air compressors with their tanks, instruments, meters, gauges, and controls when used to supply compressed air into the plant's air system.
16. Operating effluent water treatment systems, including chemical treatment ozonation, filter, and related equipment, including treatment of carbon and residual sludge, and removing spent oxide, and spent filtering materials.
17. Pumping water for cooling and condensing.

18. Cleaning filters and other operating duties of water system.

*Materials and expenses:*

19. Producer gas transferred from coke oven plant to water gas plant for dilution purposes.

20. Building service, communication service, transportation.

21. First aid supplies and safety equipment.

22. Office supplies, printing and stationery.

23. Meals, travelling and incidental expenses.

24. Fuel for heating plant, water for fire protection or general use, and similar items.

25. Lubricants, packing, waste, etc.

26. Odorizing chemicals.

27. Hand tools, drills, saw blades, files, etc.

28. Fire protection supplies.

29. Fogging oils, alcohol, etc.

30. Chemicals, filter materials, etc., and payments to others for disposal of plant effluents and waste.

31. Chemicals for water treatment.

32. Research, development, and demonstration expenses.

**736 Rents.**

This account shall include rents for property of others used, occupied or operated in connection with manufactured gas production operations. (See operating expense instruction 3.)

**740 Maintenance supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of manufactured gas production facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

**741 Maintenance of structures and improvements.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 305. Structures and Improvements. (See operating expense instruction 2.)

**742 Maintenance of production equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment for the production of manufactured gas, the book cost of which is in-

cluded in accounts 306 to 320, inclusive, except such equipment as is used for the production of steam the maintenance of which is includible in accounts 707, Maintenance of Boiler Plant Equipment, and 708, Maintenance of Other Steam Production Plant. (See operating expense instruction 2.)

**750 Operation supervision and engineering.**

A. This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of production and gathering systems. Direct supervision of specific activities such as turning on and shutting off wells, operating measuring and regulating stations, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

B. For Nonmajor companies, this account shall include the cost of supervision and labor in the operation of gas wells, lines, compressors and other equipment of the natural gas production and gathering system including miscellaneous labor such as care of grounds, building service, and general clerical and stenographic work at field offices.

ITEMS

1. Supervision. (See operating expense instruction 1.)
2. Gas depletion and gas reserve activities.
3. Geological activities in connection with gas production.
4. Rights-of-way office activities and supervision, not in connection with construction or retirement work, or storage.

**751 Production maps and records.**

This account shall include the cost of labor, materials used and expenses incurred in the preparation and maintenance of production maps and records.

ITEMS

*Labor:*

*With respect to production maps:*

1. Supervising.
2. Preparing farm maps, field inventory maps, well location plats, and other maps used in connection with natural gas production and gathering operations.
3. Posting changes and making corrections of maps.
4. Maintaining files of maps and tracings.

5. Surveying deeds, leases, rights-of-way, well locations, etc., for map revisions.
6. Reproducing maps (blueprints, photostats, etc.).

*With respect to land records:*

7. Supervising.
8. Abstracting titles to date for extension and renewal of leases.
9. Adjusting land and well rentals.
10. Checking free gas rights.
11. Maintaining land and lease records.
12. Delivering rental and royalty checks.
13. Assigning, pooling, merging, renewing, and extending leases.
14. Patrolling land.
15. Preparing expiration calendars.
16. Replacing leases (not involving additional consideration).
17. Transferring payees.

*Materials and expenses:*

18. Blueprints, photostats, etc.
19. Drafting materials and supplies.
20. Surveying materials and supplies.
21. Employee transportation and travel expenses.
22. Freight, express, parcel post, trucking, and other transportation.
23. Janitor and washroom supplies, etc.
24. Office supplies, stationery and printed forms.
25. Utility services: light, water, and telephone.

#### 752 Gas wells expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating producing gas wells.

##### ITEMS

*Labor:*

1. Supervising.
2. Testing, bailing, swabbing, blowing and gauging producing gas wells.
3. Cleaning off old well locations.
4. Painting signs, etc.
5. Minor upkeep of well roads and fences, etc.
6. Turning wells off and on.
7. Pumping wells.

*Materials and expenses:*

8. Gas, gasoline, and oil used in pumping, bailing, heating, and swabbing.
9. Lumber, nails, and other materials used for upkeep of fences, making signs, etc.
10. Materials for upkeep of well roads, etc.
11. Well swabs.
12. Employees' transportation and travel expenses.
13. Freight, express, parcel post, trucking and other transportation.
14. Transportation: company and rented vehicles.

#### 753 Field lines expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating field lines.

##### ITEMS

*Labor:*

1. Supervising.
2. Walking or patrolling lines.
3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines and drips, draining water from lines, operating and cleaning scrubbers, thawing freezes.
4. Taking line pressures, changing pressure charts, operating alarm gauges.
5. Building and repairing gate boxes, foot bridges, stiles, tool boxes, etc., used in line operations, erecting line markers and warning signs, repairing old line roads.
6. Cleaning debris, cutting grass and weeds on rights-of-way.
7. Inspecting and testing not specifically to determine necessity for repairs.
8. Protecting utility property during work by others.
9. Standby time of emergency crews, responding to fire calls, etc.
10. Locating valve boxes or drip riser boxes.
11. Cleaning and repairing tools used in mains operations, making tool boxes, etc.
12. Cleaning structures and equipment.
13. Driving trucks.

*Materials and expenses:*

14. Line markers and warning signs.
15. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, tool boxes, etc.
16. Charts.
17. Scrubber oil.
18. Hand tools.
19. Lubricants, wiping rags, waste, etc.
20. Freight, express, parcel post, trucking and other transportation charges.
21. Employees' transportation and travel expenses.
22. Janitor and washroom supplies.
23. Utility services: light, water, telephone.
24. Gas used in field line operations.

#### 754 Field compressor station expenses.

This account shall include the cost of labor, materials used, except fuel, and expenses incurred in operating field compressor stations.

##### ITEMS

*Labor:*

1. Supervising.
2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.

3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.

4. Repacking valves and replacing gauge glasses, etc.

5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.

6. Inspecting and testing equipment when not specifically to determine necessity for repairs or replacement of parts.

7. Pumping drips at the station.

8. Taking dew point readings.

9. Testing water.

10. Cleaning structures, cutting grass and weeds, and minor grading around station.

11. Cleaning and repairing hand tools used in operations.

12. Driving trucks.

13. Watching during shut downs.

14. Clerical work at station.

*Materials and expenses:*

15. Scrubber oil.

16. Lubricants, wiping rags, and waste.

17. Charts and printed forms, etc.

18. Gauge glasses.

19. Chemicals to test waters.

20. Water tests and treatment by other than employees.

21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.

22. Employees' transportation and travel expenses.

23. Freight, express, parcel post, trucking, and other transportation.

24. Utility services: light, water, telephone.

**755 Field compressor station fuel and power.**

A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of field compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel, except gas, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for the basis of fuel costs and includible fuel stock expenses.

**756 Field measuring and regulating station expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating field measuring and regulating stations.

ITEMS

*Labor:*

1. Supervising.

2. Recording pressures and changing charts, reading meters, etc.

3. Estimating lost meter registrations, etc., except gas purchases and sales.

4. Calculating gas volumes from meter charts, except for gas purchases and sales.

5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc., not in connection with maintenance or construction.

6. Testing gas samples, inspecting and testing gas sample tanks and other meter engineer's equipment, determining specific gravity and Btu content of gas.

7. Inspecting and testing equipment not specifically to determine necessity for repairs including pulsation tests.

8. Cleaning and lubricating equipment.

9. Keeping log and other operating records, preparing reports of operations, etc.

10. Attending boilers and operating other accessory equipment.

11. Installing and removing district gauges for pressure survey.

12. Thawing freeze in gauge pipes.

13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, etc., blowing meter drips.

14. Moving equipment, minor structures, etc., not in connection with construction, retirement, or maintenance work.

*Materials and expenses:*

15. Charts and printed forms, stationery and office supplies, etc.

16. Lubricants, wiping rags, waste.

17. Employees' transportation and travel expense.

18. Freight, express, parcel post, trucking and other transportation.

19. Utility services: light, water, telephone.

**757 Purification expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating equipment used for purifying, dehydrating, and conditioning of natural gas.

ITEMS

*Labor:*

1. Supervising.

2. Changing charts on fuel meters.

3. Emptying, cleaning and refilling purifier boxes.
4. Oiling dip sheets of purifier covers.
5. Removing spent oxide to refuse piles.
6. Revivifying oxide.
7. Taking readings of inlet and outlet pressures and temperature.
8. Unloading and storing glycol.
9. Watching station and equipment.
10. Cutting grass and weeds, and minor grading around equipment and stations.
11. Hauling operating employees, materials, supplies and tools, etc.
12. Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts.
13. Lubricating equipment, valves, etc.
14. Operating and checking equipment, valves, instruments, etc.

*Materials and expenses:*

15. Liquid purifying supplies.
16. Iron oxide.
17. Odorizing materials.
18. Charts, printed forms, etc.
19. Employees' transportation and travel expenses.
20. Freight, express, parcel post, trucking, and other transportation.
21. Gas used in operations.
22. Janitor, washroom, and landscaping supplies.
23. Lubricants, wiping rags, waste, etc.
24. Utility services: light, water, telephone.

NOTE: Inclusion of dehydration expenses in this account shall be consistent with the functional classification of dehydration plant as to which, see the note to account 336, Purification Plant, relating to cases where dehydrators may be located some distance from the production sources of gas.

**758 Gas well royalties.**

A. This account shall include royalties paid for natural gas produced by the utility from wells on land owned by others.

B. Records supporting the entries to this account shall be so kept that the utility can furnish the name of the parties to each contract involving royalties, the terms of each contract, the location of the property involved, the method of determining the royalties, and the amounts payable.

**759 Other expenses.**

This account shall include the cost of labor, materials used and expenses incurred in producing and gathering natural gas and not includible in any of the foregoing accounts.

## ITEMS

*Labor:*

1. Moving cleaning tools between locations.
2. Operating communications system.
3. Reading limited and unlimited free gas meters.

*Materials and expenses:*

4. Miscellaneous small tools, etc.
5. Research, development, and demonstration expenses.

**760 Rents.**

This account shall include rents for property of others used, occupied or operated in connection with the production and gathering of natural gas, other than rentals on land and land rights held for the supply of natural gas. (See operating expense instruction 3.)

NOTE: See account 795, Delay Rentals, for rentals paid on lands held for the purpose of obtaining a supply of gas in the future.

**761 Maintenance supervision and engineering.**

This account shall include the cost of labor, materials used and expenses incurred in the general supervision and direction of maintenance of the production and gathering facilities as a whole. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

**762 Maintenance of structures and improvements.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and improvements, the book cost of which is includible in accounts 326, Gas Well Structures, 327, Field Compressor Station Structures, 328, Field Measuring and Regulating Station Structures, and 329, Other Structures. (See operating expense instruction 2.)

**763 Maintenance of producing gas wells.**

This account shall include the cost of labor, materials used and expenses incurred in maintenance of gas wells and equipment includible in accounts 330, Producing Gas Wells—Well Construction, and 331, Producing Gas Wells—Well Equipment. (See operating expense instruction 2.)



**764 Maintenance of field lines.**

This account shall include the cost of labor, materials used and expenses incurred in maintenance of field lines the book cost of which is includible in account 332, Field Lines. (See operating expense instruction 2.)

## ITEMS

1. Electrolysis and leak inspections (not routine).
2. Installing and removing temporary lines, when necessitated by maintenance.
3. Lamping and watching while making repairs.
4. Lowering and changing location of portion of lines, when the same pipe is used.
5. Protecting lines from fires, floods, land slides, etc.
6. Rocking creek crossings.

**765 Maintenance of field compressor station equipment.**

This account shall include the cost of labor and expenses incurred in the maintenance of field compressor station equipment includible in account 333, Field Compressor Station Equipment. (See operating expense instruction 2.)

**766 Maintenance of field measuring and regulating station equipment.**

This account shall include the cost of labor, materials used and expenses incurred in maintenance of field measuring and regulating station equipment includible in account 334, Field Measuring and Regulating Station Equipment. (See operating expense instruction 2.)

**767 Maintenance of purification equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of purification equipment includible in account 336, Purification Equipment. (See operating expense instruction 2.)

NOTE: Inclusion of dehydration maintenance expenses in this account shall be consistent with the functional classification of dehydration plant as to which see the note to account 336, Purification Equipment, relating to cases where dehydrators may be located some distance from the production sources of gas.

**768 Maintenance of drilling and cleaning equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of drilling and cleaning equipment includible in account 335, Drilling and Cleaning Equipment, except such costs of maintaining drilling tools or other equipment which are assignable to the cost of drilling wells. (See operating expense instruction 2.)

**769 Maintenance of other equipment.**

This account shall include the cost of labor, materials used and expenses incurred in maintenance of other production and gathering equipment includible in account 337, Other Equipment. (See operating expense instruction 2.)

**770 Operation supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of products extraction and refining operations, except supervision of marketing and selling operations which shall be charged to account 779, Marketing Expenses. Direct supervision of specific extraction and refining activities shall be charged to the appropriate account. (See operating expense instruction 1.)

**771 Operation labor.**

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

## ITEMS

*Labor:*

1. Supervising.
2. Operating, checking, lubricating, wiping, polishing, and cleaning engines, equipment, valves, machinery, gauges, and other instruments, etc.
3. Inspecting and testing equipment and instruments, not specifically to determine necessity for repairs or replacement of parts.
4. Reading meters, gauges, and other instruments, changing charts, preparing operating reports, etc.
5. Testing gasoline samples, water, etc.
6. Cleaning structures housing equipment, cutting grass and weeds and doing minor grading work around equipment and structures, etc.

7. Driving trucks used in products extraction operations.
8. Cleaning and repairing hand tools used in operations, etc.
9. Watching plant during shut-down periods.
10. Making electricity or steam.

**772 Gas shrinkage.**

A. This account shall include the cost of gas lost or absorbed in the process of extraction of salable products from natural gas, exclusive of gas used as fuel, the cost of which shall be included in account 773, Fuel.

B. Concurrent credits offsetting charges to this account shall be made to account 811, Gas Used for Products Extraction—Credit.

**773 Fuel.**

A. This account shall include the cost of natural gas or other fuel used in extracting gasoline, butane, propane and other salable products from natural gas, including fuel used for generation of electricity or making steam.

B. Concurrent Credits offsetting charges to this account shall be made to account 811, Gas Used for Products Extraction—Credit.

**774 Power.**

This account shall include the cost of electricity purchased for operation of facilities used in the extraction of gasoline, butane, propane, or other salable products from natural gas.

**775 Materials.**

This account shall include the cost of materials used in extracting salable products from natural gas and blending and refining such products.

## ITEMS

1. Absorption oil.
2. Charcoal.
3. Water (payments to others for water).
4. Steam (payments to others for steam).
5. Blending agents.
6. Natural gasoline removed from inventory for blending and refining purposes.
7. Tetraethyl lead.

**776 Operation supplies and expenses.**

This account shall include supplies used and expenses incurred in the operation of facilities for recovering salable products from natural gas and blending

and refining such products, not provided for elsewhere.

## ITEMS

1. Employee transportation and travel expenses.
2. Freight, express, parcel post, trucking and other transportation.
3. Utility services: light, water, telephone.
4. Charts, gas measurement, etc.
5. Janitor, washroom and landscaping supplies.
6. Lubricants: oil and grease, wiping rags and waste, etc.
7. Testing equipment, hand tools, etc., of a portable nature and relatively minor cost or of short life.
8. Research, development, and demonstration expenses.

**777 Gas processed by others.**

A. This account shall include the cost of gas shrinkage, gas consumed for fuel, royalties, and other expenses in connection with the processing of gas of the utility by others for extraction of salable products, for which the related revenues are includible in account 491, Revenues from Natural Gas Processed by Others.

B. Concurrent credits offsetting charges to this account for the difference between gas delivered to others for processing and gas returned after processing, such as shrinkage in the processing operations and gas of the utility used for fuel, shall be made to account 811, Gas Used for Products Extraction of Credit.

C. Records supporting this account shall be so maintained that full information will be readily available concerning gas shrinkage, gas used for fuel, royalties, and other expenses assumed or paid by the utility with regard to each processor of gas of the utility. (See paragraph B of account 491, Revenues from Natural Gas Processed by Others.)

## ITEMS

1. Gas shrinkage, being cost of the reduction in gas from products extraction operations of gas of the utility processed by others.
2. Gas for fuel, being cost of gas of the utility used for fuel in connection with the products extraction processing of the utility's gas by others.
3. Royalties, being payments of fractional interests of royalty holders in products extracted by others from gas of the utility.

**778 Royalties on products extracted.**

This account shall include royalties paid by the utility to others for the right to extract salable products from natural gas.

**779 Marketing expenses.**

A. This account shall include the cost of labor, materials used and expenses incurred in the marketing of products extracted from natural gas and of similar products purchased for resale.

B. The records supporting this account shall be so maintained that summaries of the various types of expenses shall be readily available.

## ITEMS

*Labor:*

1. Salaries of persons directly engaged in marketing operations.

*Materials and expenses:*

2. Employee transportation and travel expenses.

3. Tank car rentals.

4. Freight and hauling charges for products shipped.

5. Miscellaneous marketing expenses.

6. Building service charges for space occupied by marketing personnel.

7. Uncollectible accounts for extracted products sold.

**780 Products purchased for resale.**

A. This account shall include the cost of gasoline, butane, propane, or other salable products purchased from others for resale.

B. The records supporting this account shall be so maintained that the kind, quantity, and cost of products purchased from each vendor are readily available.

**781 Variation in products inventory.**

This account shall include credits for increases, and debits for decreases in the inventories of salable products extracted from natural gas or purchased for resale. The net debit or credit in this account shall equal the difference between the inventory at the beginning of the accounting year and the end of the accounting month.

**782 Extracted products used by the utility—Credit.**

This account shall include concurrent credits for charges which are made

of operating expenses or other accounts of the gas department for gasoline or other extracted products which are used from stocks recovered in the natural gas extraction process or purchased for resale, and for such products used for blending and refining processes, the contra debit for which is account 775, Materials.

**783 Rents.**

This account shall include all rents for the property of others used, occupied, or operated in connection with the extraction of salable products from natural gas, exclusive of tank car rentals and other similar rentals includible in account 779, Marketing Expenses. (See operating expense instruction 3.)

**784 Maintenance supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of facilities used in the extraction and refining of salable products from natural gas. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

**785 Maintenance of structures and improvements.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 341, Structures and Improvements. (See operating expense instruction 2.)

**786 Maintenance of extraction and refining equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 342, Extraction and Refining Equipment. (See operating expense instruction 2.)

**787 Maintenance of pipe lines.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includable in account 343, Pipe Lines. (See operating expense instruction 2.)

**788 Maintenance of extracted products storage equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includable in account 344, Extracted Products Storage Equipment. (See operating expense instruction 2.)

**789 Maintenance of compressor equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includable in account 345, Compressor Equipment. (See operating expense instruction 2.)

**790 Maintenance of gas measuring and regulating equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includable in account 346, Gas Measuring and Regulating Equipment. (See operating expense instruction 2.)

**791 Maintenance of other equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includable in account 347, Other Equipment. (See operating expense instruction 2.)

**795 Delay rentals.**

A. This account shall be charged with the amount of rents paid periodically on natural gas lands acquired by lease before October 8, 1969, in order to hold natural gas land and land rights for the purpose of obtaining a supply of gas in the future.

B. Include also in this account, the cost of obtaining natural gas leases for a period of 1 year or less when such

leases were acquired before October 8, 1969.

C. Records supporting this account shall be so kept that the utility can furnish complete details of the charges made for each natural gas leasehold. (See note to gas plant instruction 7G.)

NOTE: Rents paid periodically on natural gas lands acquired by lease after October 7, 1969, shall be charged to account 105.1, Production Properties Held for Future Use.

**796 Nonproductive well drilling.**

This account shall include the net cost of drilling wells on natural gas leases acquired before October 8, 1969, which prove to be nonproductive.

NOTE A: Records in support of the charges to this account shall conform, as appropriate, to Note B of General Instruction 12, Records for Each Plant.

NOTE B: The net cost of drilling wells on natural gas leases acquired after October 7, 1969, which prove to be nonproductive, shall be charged to account 338, Unsuccessful Exploration and Development Costs.

**797 Abandoned leases.**

A. This account shall be charged with amounts credited to account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant, to cover the probable loss on abandonment of natural gas leases acquired before October 8, 1969, included in account 105, Gas Plant Held for Future Use, which has never been productive. (See account 182.1.)

B. When natural gas leaseholds which were acquired before October 8, 1969, and which have never been productive are abandoned, and the amounts provided in account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant, are not sufficient to cover the cost thereof, the deficiency shall be charged to this account unless otherwise authorized or directed by the Commission. (See account 182.1.)

NOTE: Losses on abandonment of natural gas leases acquired after October 7, 1969, shall be charged to account 338, Unsuccessful Exploration and Development Costs.

**798 Other exploration.**

This account shall be charged with the cost of abandoned projects involving natural gas leases acquired before October 8, 1969, on which preliminary

expenditures were made for the purpose of determining the feasibility of acquiring acreage to provide a future supply of natural gas (see account 183.1, Preliminary Natural Gas Survey and Investigation Charges).

NOTE: Preliminary expenditures on abandoned projects involving natural gas leases acquired after October 7, 1969, shall be charged to account 338, Unsuccessful Exploration and Development Costs.

#### **800 Natural gas well head purchases.**

A. This account shall include the cost at well head of natural gas purchased from producers in gas fields or production areas where only the utility's facilities are used in bringing the gas from the well head into the utility's natural gas system.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and well head the quantity of gas, basis of charges, and amount paid for the gas.

NOTE: If gas purchases are made under one contract covering both well head and field line purchases and such amounts are not readily separable, the utility may classify such purchases according to predominant source or according to a reasonable estimate.

#### **800.1 Natural gas well-head purchases; intracompany transfers.**

A. This account shall include, for informational purposes only, the amount recorded for gas supplied by the production division when the price is not determined by a cost-of-service rate proceeding.

B. The records supporting this account shall be so maintained that there will be readily available for each well-head, the quantity of gas, the basis of intracompany charges, and the amount of intracompany charges for gas.

#### **801 Natural gas field line purchases.**

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased in gas fields or production areas at points along gathering lines, and at points along the utility's transmission lines within field or production areas, exclusive of purchases at outlets of gasoline plants includible in account 802, where facilities of the vendor or others are used in

bringing the gas from the well head to the point of entry into the utility's natural gas system.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and amount paid for the gas.

NOTE: If gas purchases are made under one contract covering both well head and field line purchases and such amounts are not readily separable, the utility may classify such purchases according to predominant source or according to a reasonable estimate.

#### **802 Natural gas gasoline plant outlet purchases.**

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased at the outlet side of vendor's natural gas products extraction plants.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and for each products extraction plant, the quantity of gas, basis of the charges, and the amount paid for the gas.

#### **803 Natural gas transmission line purchases.**

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased at points along the utility's transmission lines not within gas fields or production areas, excluding purchases at the outlets of products extraction plants includible in account 802.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and the amount paid for the gas.

#### **804 Natural gas city gate purchases.**

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased which is received at the entrance to the distribution system of the utility.

B. The records supporting this account shall be so maintained that there

shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of the charges, and the amount paid for the gas.

NOTE: Do not credit this account for gas used in reforming for which the cost is charged to manufactured gas production expenses. Credits for such gas should be made to account 812, Gas Used for Other Utility Operations—Credit.

#### **804.1 Liquefied natural gas purchases.**

A. This account shall include the cost, including transportation, at point of receipt by the utility, of liquefied natural gas purchased for the purpose of vaporization and injection into the utility's transmission or distribution system for resale.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and point of receipt, the quantity of liquefied natural gas purchased, basis of charges, the amount paid for the liquefied gas, and transportation charges incurred up to the point of receipt of the liquefied gas.

#### **805 Other gas purchases.**

A. This account shall include the cost, at point of receipt by the utility, of manufactured gas, refinery gas, or any gas other than natural gas, or other than any mixed gas in which the natural gas is an important proportion of the mixture.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the kind and quantity of gas, Btu content, basis of the charges, and the amount paid for the gas.

C. Utilities recognizing revenue for shipper-supplied gas must include the current market price of such gas in this account. Current market price is the delivered spot price of gas in the utility's supply area, as published in a recognized industry journal. The publication used must be the same one identified in the pipeline's tariff for use in its cash-out provision, if it has one. If it has no cash-out provision, the utility must use one publication consistently. Contra entries to those recorded herein must be made to the appropriate transportation revenue account (Account

489.1 through Account 489.4). Records are to be maintained and readily available that include the name of shipper, quantity of gas, and the publication and price used to value shipper-supplied gas.

D. The value of gas received from shippers under tariff allowances that is not consumed in operations nor returnable to customers through rate tracking mechanisms must be credited to Account 495, Other Gas Revenues and charged to this account. Utilities must simultaneously charge Accounts 117.3 or 117.4 as appropriate, with contra credits to Account 808.2, Gas Delivered to Storage—Credit. Records are to be maintained and readily available that include the name of shipper, quantity of gas, and the publication and price used to value shipper-supplied gas.

#### **805.1 Purchased gas cost adjustments.**

A. This account shall be debited or credited with decreases or increases in purchased gas costs related to Commission approved purchased gas adjustment clauses when such costs are not included in the utility's rate schedules on file with the Commission.

B. This account shall be debited or credited with amounts amortized from Account 191, Unrecovered Purchased Gas Costs.

#### **806 Exchange gas.**

This account includes debits or credits for the cost of gas in unbalanced transactions where gas is received from or delivered to another party in exchange, load balancing, or no-notice transportation transactions. The costs are to be determined consistent with the accounting method adopted by the utility for its system gas. If the utility has adopted the inventory method of accounting, the amounts to be recorded in Account 806 must be based on the historical cost of the gas. If the utility has adopted the fixed asset method of accounting, the amounts to be recorded in Account 806 must be based on the current market price of gas at the time gas is tendered for transportation. (See the Special Instructions to Accounts 117.1, 117.2, and 117.3 for a description of the inventory and fixed asset methods and the definition of the current market price of gas.) Contra entries to

those in this account are to be made to account 174, Miscellaneous Current and Accrued Assets, for gas receivable and to account 242, Miscellaneous Current and Accrued Liabilities, for gas deliverable under such transactions. Such entries must be reversed and appropriate contra entries made to this account when gas is received or delivered in satisfaction of the amounts receivable or deliverable.

#### **807 Purchased gas expenses.**

A. This account shall include expenses incurred directly in connection with the purchase of gas for resale.

B. The utility shall not include as purchased gas expense, segregated or apportioned expenses of operating and maintaining gathering system plant whether such plant is devoted solely or partially to purchases of gas, except that the utility shall include the cost of turning on and off purchase gas wells and operating measuring stations devoted exclusively to measuring purchased gas.

C. In general, it is intended that this account include only the expenses directly related to purchased gas, including the expenses of computing volumes of gas purchased, and special items directly related to gas purchases which are not includible in other accounts.

D. This account shall be subdivided as follows:

807.1 Well expenses—Purchased gas.

807.2 Operation of purchased gas measuring stations.

807.3 Maintenance of purchased gas measuring stations.

807.4 Purchased gas calculations expenses.

807.5 Other purchased gas expenses.

#### **808.1 Gas withdrawn from storage—Debit.**

A. This account shall include debits for the cost of gas withdrawn from storage during the year. Contra credits for entries to this account shall be made to accounts 117.1 through 117.4, or account 164.2, Liquefied Natural Gas Stored, as appropriate. (See the Special Instructions to accounts 117.1, 117.2, and 117.3).

B. Withdrawal of gas from storage shall not be netted against deliveries to storage. (See account 808.2.)

NOTE: Adjustments for gas inventory losses due to cumulative inaccuracies in gas measurement, or from other causes, shall be entered in account 823, Gas Losses. If, however, any adjustment is substantial, the utility may, with approval of the Commission, amortize the amount of the adjustment to account 823 over future operating periods.

#### **808.2 Gas delivered to storage—Credit.**

A. This account shall include credits for the cost of gas delivered to storage during the year. Contra debits for entries to this account shall be made to accounts 117.1 through 117.4, or account 164.2, Liquefied Natural Gas Stored, as appropriate. (See the Special Instructions to accounts 117.1, 117.2, and 117.3).

#### **809.1 Withdrawals of liquefied natural gas held for processing—Debit.**

A. This account shall include debits for the cost of liquefied gas withdrawn during the year. Contra credits for entries to this account shall be made to account 164.3, Liquefied Natural Gas Held for Processing.

B. Withdrawals of liquefied natural gas held for processing shall not be netted against deliveries. (See account 809.2).

NOTE: Adjustments for gas inventory losses due to cumulative inaccuracies in gas measurement, or from other causes, shall be entered in account 846.1, Gas Losses, in the month determined, if, however, any adjustment is substantial, the utility may, with approval of the Commission, amortize the amount of the adjustment to account 846.1 over future operating periods.

#### **809.2 Deliveries of natural gas for processing—Credit.**

A. This account shall include credits for the cost of gas delivered for processing during the year. Contra debits for entries to this account shall be made to account 164.3, Liquefied Natural Gas Held for Processing.

B. Deliveries of natural gas for processing shall not be netted against withdrawals from processing. (See account 809.1).

#### **810 Gas used for compressor station fuel—Credit.**

This account shall include concurrent credits for charges which are made to operating expenses for gas consumed

for compressor station fuel from the common system gas supply.

**811 Gas used for products extraction—Credit.**

This account shall include concurrent credits for charges which are made to products extraction expenses for gas shrinkage and gas used for fuel in products extraction operations of the utility and for similar uses of gas of the utility by others processing gas of the utility for extraction of salable products.

**812 Gas used for other utility operations—Credit.**

This account shall include concurrent credits for charges which are made to operating expenses or other accounts of the gas department for gas consumed from the common system supply for operating and utility purposes other than uses for which credits are includible in any of the foregoing accounts. (See account 484, Interdepartmental Sales, for gas supplied to departments other than the gas utility department.)

**813 Other gas supply expenses.**

A. This account shall include the cost of labor, materials used and expenses incurred in connection with gas supply functions not provided for in any of the above accounts, including, research and development expenses.

These accounts are to be used by both transmission and distribution companies to account for natural gas storage expenses. If the utility operates both transmission and distribution systems, subaccounts shall be maintained classifying the expenses to the transmission or distribution function.

B. Include in separate subaccounts: (1) losses on settlements of imbalance receivables and payables (See Account 174 and 242) and losses on replacement of encroachment volumes (See the Special Instructions to Accounts 117.1, 117.2 and 117.3); (2) revaluations of storage encroachments; and (3) system gas losses not associated with storage. Appropriate records must be maintained and readily available that include the amount of losses and associated volumes in Dth.

**814 Operation supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of underground storage operations. Direct supervision of specific activities such as turning on and shutting off storage wells, compressor station operations, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

**815 Maps and records.**

This account shall include the cost of labor, materials used and expenses incurred in the preparation and maintenance of storage maps and land records.

ITEMS

*Labor:*

*With respect to land records:*

1. Supervising.
2. Abstracting titles to date for extension and renewal of leases.
3. Adjusting land and well rentals.
4. Renewing and extending leases or replacing leases not involving additional consideration.
5. Transferring, assigning, pooling, and merging leases.
6. Delivering rental checks.
7. Clerical work in maintaining storage land and lease records.
8. Preparing and maintaining lease expiration calendars.

*With respect to maps:*

9. Supervising.
10. Preparing maps, well location plats, etc.
11. Reproducing maps (blueprints or photostats).
12. Posting and revising maps.
13. Surveying deeds, leases, rights-of-way, well locations, etc., for map revisions.
14. Maintaining files of maps and tracings.
15. Field checking boundaries, markers, etc. in connection with preparation of maps.

*Materials and expenses (general):*

16. Reproduction of land and lease records and maps (blueprints, photostats, etc.).
17. Drafting materials and supplies.
18. Surveying materials and supplies.
19. Employees' transportation and travel expenses.

**816 Wells expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating storage gas wells.



## ITEMS

*Labor:*

1. Supervising.
2. Testing, bailing, swabbing, blowing, and gauging storage wells.
3. Painting signs, etc.
4. Minor upkeep of well roads, fences, etc.
5. Turning storage wells on and off.
6. Moving cleaning out tools between locations.
7. Driving trucks.

*Materials and expenses:*

8. Gas, gasoline, and oil used in pumping, bailing, heating, and swabbing.
9. Lumber, nails, and other materials used for repairing old well roads and fences.
10. Well swabs.
11. Employees' transportation and travel expenses.
12. Freight, express, parcel post, trucking, and other transportation.

**817 Lines expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage lines.

## ITEMS

*Labor:*

1. Supervising.
2. Walking or patrolling lines.
3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines and drips, draining water from lines, operating and cleaning scrubbers, thawing freezes.
4. Taking line pressures, changing pressure charts, operating alarm gauges.
5. Building and repairing gate boxes, foot bridges, stiles, tool boxes, etc., used in line operations, erecting line markers and warning signs, repairing old line roads.
6. Cleaning debris, cutting grass and weeds on rights-of-way.
7. Inspecting and testing not specifically to determine necessity for repairs.
8. Protecting utility property during work by others.
9. Standby time of emergency crews, responding to fire calls, etc.
10. Locating valve boxes or drip riser boxes.
11. Cleaning and repairing tools used in storage lines operations.
12. Cleaning structures and equipment.
13. Driving trucks.

*Materials and expenses:*

14. Line markers and warning signs.
15. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, etc.
16. Charts.
17. Scrubber oil.
18. Hand tools.
19. Lubricants, wiping rags, waste, etc.

20. Freight, express, parcel post, trucking and other transportation.

21. Employees' transportation and travel expenses.
22. Janitor and washroom supplies.
23. Utility services: light, water, telephone.
24. Gas used in operations.

**818 Compressor station expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage compressor stations.

## ITEMS

*Labor:*

1. Supervising.
2. Operating and checking engines, equipment, valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.
3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.
4. Repacking valves and replacing gauge glasses, etc.
5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.
6. Inspecting and testing equipment when not specifically to determine necessity for repairs or replacement of parts.
7. Pumping drips at the station.
8. Taking dew point readings.
9. Testing water.
10. Cleaning structures housing equipment, cutting grass and weeds, and minor grading around station.
11. Cleaning and repairing hand tools used in operations.
12. Driving trucks
13. Watching during shut downs.
14. Clerical work at station.

*Materials and expenses:*

15. Scrubber oil.
16. Lubricants, wiping rags, and waste.
17. Charts and printed forms, etc.
18. Gauge glasses.
19. Chemicals to test water.
20. Water tests and treatment by other than employees.
21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.
22. Employees' transportation and travel expenses.
23. Freight, express, parcel post, trucking, and other transportation.
24. Utility services: light, water, telephone.

**819 Compressor station fuel and power.**

A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of

underground storage compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel, except gas, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for the basis of fuel costs and includible fuel stock expenses.

#### 820 Measuring and regulating station expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage measuring and regulating stations.

##### ITEMS

###### Labor:

1. Supervising.
2. Recording pressures and changing charts, reading meters, etc.
3. Estimating lost meter registrations, etc. except gas purchases and sales.
4. Calculating gas volumes from meter charts except gas purchases and sales.
5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc., not in connection with construction or maintenance.
6. Testing gas samples, inspecting and testing gas sample tanks and other meter engineers equipment, determining specific gravity and Btu content of gas.
7. Inspecting and testing equipment not specifically to determine necessity for repairs, including pulsation tests.
8. Cleaning and lubricating equipment.
9. Keeping log and other operating records, preparing reports of operation, etc.
10. Attending boilers and operating other accessory equipment.
11. Installing and removing district gauges for pressure survey.
12. Thawing freeze in gauge pipe.
13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, etc., blowing meter drips.
14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

###### Materials and expenses:

15. Charts and printed forms, stationery and office supplies, etc.

16. Lubricants, wiping rags, waste.
17. Employees' transportation and travel expense.
18. Freight, express, parcel post, trucking and other transportation.
19. Utility services: light, water, telephone.

#### 821 Purification expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating equipment used for purifying, dehydrating, and conditioning of natural gas in connection with underground storage operations.

##### ITEMS

###### Labor:

1. Supervising.
2. Changing charts on fuel meters.
3. Emptying, cleaning and refilling purifier boxes.
4. Oiling dip sheets of purifier covers.
5. Removing spent oxide to refuse piles.
6. Revivifying oxide.
7. Taking readings of inlet and outlet pressures and temperature.
8. Unloading and storing glycol.
9. Watching station and equipment.
10. Cutting grass and weeds, and minor grading around equipment and stations.
11. Hauling operating employees, materials, supplies and tools, etc.
12. Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts.
13. Lubricating equipment, valves, etc.
14. Operating and checking equipment, valves, instruments, etc.

###### Materials and expenses:

15. Liquid purifying supplies.
16. Iron oxide.
17. Odorizing materials.
18. Charts, printed forms, etc.
19. Employees' transportation and travel expenses in connection with purification and dehydration operations.
20. Freight, express, parcel post, trucking and other transportation.
21. Gas used in operations.
22. Janitor, washroom and landscaping supplies.
23. Lubricants, wiping rags, waste, etc.
24. Utility services: light, water, telephone.

#### 822 Exploration and development.

This account shall include expenses of investigation, exploration, and development of underground storage projects under consideration which prove not feasible. There also shall be included in this account the net cost of drilling nonoperative wells within an existing storage project. (For Major

companies see account 183.2, Other Preliminary Survey and Investigation Charges.)

NOTE: Include in account 352, Wells, the cost of wells which may be drilled within a storage project for purposes of pressure observation rather than for injection or withdrawal of gas.

#### **823 Gas losses.**

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in underground storage operations due to cumulative inaccuracies of gas measurements or other causes. (See the Special Instructions to Accounts 117.1, 117.2 and 117.3). If however, any adjustment is substantial, the utility may, with approval of the Commission, amortize the amount of the adjustment to this account over future operating periods.

#### **824 Other expenses.**

This account shall include the cost of labor, material used and expenses incurred in operating underground storage plant, and other underground storage operating expenses, not includible in any of the foregoing accounts, including research, development, and demonstration expenses.

#### **825 Storage well royalties.**

A. This account shall include royalties, rents, and other payments includible in operating expenses for gas wells and gas land acreage located within and comprising underground storage projects of the utility. (See operating expense instruction 3.)

B. The records supporting this account shall be so maintained that information will be readily available for each storage project, of the parties to each contract, basis of the charges, and location of wells to which the royalties or rents of each contract relate.

#### **826 Rents.**

This account shall include rents for property of others used in connection with the storage of gas underground, other than rents and royalties paid with respect to storage wells and gas lands utilized for the holding of gas in underground storage. (See operating expense instruction 3.)

#### **830 Maintenance supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of underground storage facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

#### **831 Maintenance of structures and improvements.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 351, Structures and Improvements. (See operating expense instruction 2.)

#### **832 Maintenance of reservoirs and wells.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of storage wells, the book cost of which is included in account 352, Wells, and the maintenance of reservoirs, the book cost of which is included in account 352.2, Reservoirs. (See operating expense instruction 2.)

#### **833 Maintenance of lines.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of underground storage lines, the book cost of which is includible in account 353, Lines. (See operating expense instruction 2.)

#### **834 Maintenance of compressor station equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 354, Compressor Station Equipment. (See operating expense instruction 2.)

**835 Maintenance of measuring and regulating station equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 355, Measuring and Regulating Equipment. (See operating expense instruction 2.)

**836 Maintenance of purification equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of purification equipment, the book cost of which is includible in account 356, Purification Equipment. (See operating expense instruction 2.)

**837 Maintenance of other equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 357, Other Equipment. (See operating expense instruction 2.)

**840 Operation supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of other storage facilities. Direct supervision of specific activities such as operation of gas holders shall be charged to the appropriate account. (See operating expense instruction 1.)

**841 Operation labor and expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating storage holders and other storage equipment.

## ITEMS

*Labor:*

1. Supervising.
2. Operating, checking, lubricating, cleaning, and polishing equipment, machinery, valves, instruments, and other local storage equipment.
3. Reading meters, gauges and other instruments, changing charts, preparing operating reports, etc.
4. Pumping inlet and outlet holder drips.
5. Inspecting and testing equipment when not specifically for repairs or replacement of parts.

6. Cleaning structures and housing equipment, cutting grass and weeds, and doing minor grading work around structures and equipment.

7. Cleaning and repairing hand tools used for operations, etc.

8. Operating steam lines for heating storage facilities.

*Materials and expenses:*

9. Charts for pressure gauges and meters, printed forms, etc.

10. Lubricants, wiping rags, waste, etc.

11. Janitor and washroom supplies, landscaping supplies, etc.

12. Employee travel and transportation expenses.

13. Freight, express, parcel post, trucking, and other transportation.

14. Utility services: light, water, and telephone.

15. Chemicals.

16. Refrigerants.

17. Research, development, and demonstration expenses.

**842 Rents.**

This account shall include rents for property of others used or operated in connection with other storage operations. (See operating expense instruction 3.)

**842.1 Fuel.**

A. This account shall include the cost of natural gas or other fuel used in the operation of other storage plant.

B. Concurrent credits offsetting charges to this account for natural gas used for fuel shall be made to account 812, Gas Used for Other Utility Operations—Credit.

**842.2 Power.**

This account shall include the cost of electricity consumed for operation of facilities used in the operation of other storage plant.

**842.3 Gas Losses.**

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in other storage operations due to shrinkage or other causes.

**843.1 Maintenance supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of other storage facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

**843.2 Maintenance of structures and improvements.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 361, Structures and Improvements. (See operating expense instruction 2.)

**843.3 Maintenance of gas holders.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of gas holders, the book cost of which is includible in account 362, Gas Holders. (See operating expense instruction 2.)

**843.4 Maintenance of purification equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of purification equipment, the book cost of which is includible in account 363, Purification Equipment. (See operating expense instruction 2.)

**843.5 Maintenance of liquefaction equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of liquefaction equipment, the book cost of which is includible in account 363.1, Liquefaction Equipment. (See operating expense instruction 2.)

**843.6 Maintenance of vaporizing equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of vaporizing equipment, the book cost of which is includible in account 363.2, Vaporizing Equipment. (See operating expense instruction 2.)

**843.7 Maintenance of compressor equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of compressor equipment, the book cost of which is includible in account 363.3, Compressor Equipment. (See operating expense instruction 2.)

**843.8 Maintenance of measuring and regulating equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of measuring and regulating equipment, the book cost of which is includible in account 363.4, Measuring and Regulating Equipment. (See operating expense instruction 2.)

**843.9 Maintenance of other equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment the book cost of which is includible in account 363.5, Other Equipment. (See operating expense instruction 2.)

**844.1 Operations supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of operations of liquefied natural gas facilities. Direct supervision of specific activities shall be charged to the appropriate operations accounts.

**844.2 LNG processing terminal labor and expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating liquefied natural gas processing equipment.

## ITEMS

*Labor*

1. Supervising.
2. Operating, checking, lubricating, cleaning, and polishing equipment, machinery, valves, instruments, and other processing equipment.
3. Reading meters, gauges and other instruments, changing charts, preparing operating reports, etc.
4. Inspecting and testing equipment when not specifically for repairs or replacement of parts.

5. Cleaning structures housing equipment, cutting grass and weeds, and doing minor grading work around structures and equipment.

6. Cleaning and repairing hand tools used for operations, etc.

7. Operating offshore facilities such as piers, docks, loading and unloading arms, water craft, etc.

*Materials and expenses*

8. Charts for pressure gauges and meters, printed forms, office supplies, etc.

9. Lubricants, wiping rags, cleaning materials, etc.

10. Janitor and washroom supplies, landscaping supplies, etc.

11. Employee travel and transportation expenses.

12. Freight, express, parcel post, trucking, and other transportation.

13. Utility services: light, water, and telephone.

14. Chemicals.

15. Refrigerants.

16. Small hand tools.

**844.3 Liquefaction processing labor and expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating natural gas liquefaction equipment.

ITEMS

*Labor*

1. Supervising.

2. Operating, checking, lubricating, cleaning, and polishing equipment, machinery, valves, instruments, and other processing equipment.

3. Reading meters, gauges and other instruments, changing charts, preparing operating reports, etc.

4. Inspecting and testing equipment when not specifically for repairs or replacement of parts.

5. Cleaning structures housing equipment, cutting grass and weeds, and doing minor grading work around structures and equipment.

6. Cleaning and repairing hand tools used for operations, etc.

7. Operating offshore facilities such as piers, docks, loading and unloading arms, water craft, etc.

*Materials and expenses*

8. Charts for pressure gauges and meters, printed forms, office supplies, etc.

9. Lubricants, wiping rags, cleaning materials, etc.

10. Janitor and washroom supplies, landscaping supplies, etc.

11. Employee travel and transportation expenses.

12. Freight, express, parcel post, trucking, and other transportation.

13. Utility services: light, water, and telephone.

14. Chemicals.

15. Refrigerants.

16. Small hand tools.

**844.4 LNG transportation labor and expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating LNG transportation equipment.

ITEMS

*Labor*

1. Supervision.

2. Operating LNG maritime tankers, LNG barges, LNG tank trucks and other LNG transportation equipment.

3. Cleaning and lubricating equipment.

4. Inspecting and testing equipment.

*Materials and expenses*

5. Charts, printed forms, office supplies, etc.

6. Dry dock charges.

7. Lubricants, wiping rags, cleaning materials, etc.

8. Employee's transportation travel and temporary housing expenses.

**844.5 Measuring and regulating labor and expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating, measuring and regulating stations in connection with liquefied natural gas operations.

ITEMS

*Labor*

1. Supervising.

2. Recording pressures and changing charts, reading meters, etc.

3. Estimating lost meter registrations, etc., except gas purchases and sales.

4. Calculating gas volumes from meter charts, except gas purchases and sales.

5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc., not in connection with construction or maintenance.

6. Testing gas samples, determining specific gravity and Btu content of gas.

7. Inspecting and testing equipment not specifically to determine necessity for repairs including pulsation tests.

8. Cleaning and lubricating equipment.

9. Keeping log and other operating records, preparing records of operations, etc.

10. Attending boilers and operating other accessory equipment.

11. Installing and removing district gauges for pressure survey.

12. Thawing freeze in gauge pipe.

13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, blowing meter drips, etc.

14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

*Materials and expenses*

15. Charts and printed forms.

16. Lubricants, wiping rags, waste.

17. Employees' transportation and travel expense.

18. Freight, express, parcel post, trucking and other transportation.

19. Utility services: light, water, telephone.

**844.6 Compressor station labor and expenses.**

This account shall include the cost of labor, materials used and expenses incurred, including fuel and power, in operating compressor stations in connection with liquefied natural gas operations.

ITEMS

*Labor*

1. Supervising.

2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.

3. Operating boilers and boiler accessory equipment, including fuel handling, recording fuel used, etc.

4. Repacking valves and replacing gauge glasses, etc.

5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.

6. Pumping drips at the station.

7. Taking dew point readings.

8. Testing water.

9. Cleaning structures housing equipment, cutting grass and weeds, and minor grading around station.

10. Cleaning and repairing hand tools used in operations.

11. Driving trucks.

12. Watching during shutdowns.

13. Clerical work at station.

*Materials and expenses*

14. Scrubber oil.

15. Lubricants, wiping rags, waste.

16. Charts and printed forms, etc.

17. Gauge glasses.

18. Chemicals to treat water.

19. Water tests and treatment by other than employees.

20. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.

21. Employees' transportation and travel expenses.

22. Freight, express, parcel post, trucking, and other transportation.

23. Utility services: light, water, telephone.

**844.7 Communication system expenses.**

This account shall include the cost of labor, materials used and expenses incurred in connection with the operation of liquefied natural gas communications facilities, such as radio, telephone, microwave and other communication systems, including payments to others for communications services.

ITEMS

*Labor*

1. Supervising.

2. Operating switchboards, radio equipment, power generators, microwave equipment, etc. (except general office switchboards).

3. Tagging telephone poles.

4. Testing and replacing telephone batteries, radio tubes, etc.

5. Cutting weeds and grass along telephone rights-of-way and around structures and equipment.

6. Changing radio frequencies.

7. Securing FCC authorization to change frequencies.

8. Taking FCC radio operator tests.

9. Transferring mobile radios between vehicles and/or vessels.

10. Changing locations of telephones and other communications equipment not in connection with maintenance or construction.

11. Inspecting and testing not specifically to determine necessity for repairs.

12. Cleaning and lubricating equipment.

13. Cleaning structures housing equipment.

*Materials and expenses*

14. Payments to others for communications services.

15. Telephone batteries, radio tubes and other electronic components.

16. Radio crystals and other materials used in changing radio frequencies.

17. Lubricants, wiping rags, and waste.

18. Employees' transportation and travel expenses.

19. Freight, express, parcel post, trucking and other transportation.

**844.8 System control and load dispatching.**

This account shall include the cost of labor and expenses incurred in dispatching and controlling the supply and flow of liquefied gas and vaporized

gas prior to introduction of such vaporized gas into the utility's transmission or distribution system.

ITEMS

*Labor*

1. Supervising.
  2. Analysis of pressures for irregularities, as received.
  3. Collecting pressures by telephone and radio.
  4. Controlling mixture of various gases to maintain proper Btu content.
  5. Correspondence and records, typing and maintaining files.
  6. Controlling inputs and withdrawals of liquefied gas for processing.
  7. Instructing field men to increase or decrease pressures at regulators.
  8. Maintaining pressures at compressor stations, key line junctions and regulating stations to divide the available gas during heavy demand periods.
  9. Maintaining pressure log sheets.
  10. Maintaining proper compression ratios at compressor stations, consistent with economical operations.
  11. Maintaining lowest necessary line pressures consistent with satisfactory service.
  12. Requesting pressure changes at compressor stations, regulating stations, and key line junctions.
  13. Rerouting gas during emergencies and planned shutdowns.
- Materials and expenses*
14. Consultants' fees and expenses.
  15. Meals, traveling and incidental expenses in connection with system load dispatching.
  16. Office supplies, stationery and printed forms.
  17. Transportation: company and rental vehicles.
  18. Utility services: light, water, telephone.

**845.1 Fuel.**

A. This account shall include the cost of gas or other fuel used for the operation of liquefied natural gas terminaling and processing facilities, except compressor station fuel.

B. Concurrent credits offsetting charges to this account for natural gas used for fuel shall be made to account 812, Gas Used for Other Utility Operations—Credit.

**845.2 Power.**

This account shall include the cost of purchased power used in operation of liquefied natural gas processing facilities, except compressor station power.

**845.3 Rents.**

This account shall include rents for property of others used, occupied or operated in connection with liquefied natural gas processing operations. (See operating expense instruction 3.)

**845.4 Demurrage charges.**

This account shall include demurrage charges incurred by the utility relative to LNG shipments received or processed by the utility.

**845.5 Wharfage receipts—Credit.**

This account shall include wharfage receipts received or receivable from LNG shippers or other parties relative to LNG shipments received or processed by the utility.

**845.6 Processing of liquefied or vaporized gas by others.**

A. This account shall include amounts paid to others for the processing of liquefied or vaporized gas of the utility.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement, the name of the other party, Dth of gas delivered to the other party for processing and the Dth, of gas received back by the utility after processing, points of delivery to and receipt of gas from the other party, amount and basis of charges for the processing service.

NOTE: If in connection with any gas delivered to another for processing such other party also processes the gas for extraction of gasoline or other salable products, credits attributable to the products so extracted shall be made to account 491, Revenues from Natural Gas Processed by Others, to the end that amounts recorded in this account shall only be charges for processing other than for extraction of salable products.

**846.1 Gas losses.**

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in liquefied natural gas operations due to cumulative inaccuracies of gas measurements or other causes. (See paragraph E of account 164.3, Liquefied Natural Gas Held for Processing.) If, however, any adjustment is substantial, the utility may,



with approval of the Commission, amortize the amount of the adjustment to this account over future operating periods.

**846.2 Other expenses.**

This account shall include the cost of labor, materials used, and expenses incurred in operating liquefied natural gas plant not includible elsewhere.

**847.1 Maintenance supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of liquefied natural gas terminaling and processing facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

**847.2 Maintenance of structures and improvements.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and improvements, the book cost of which is included in account 364.2, Structures and Improvements. (See operating expense instruction 2.)

**847.3 Maintenance of LNG processing terminal equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of LNG terminal processing equipment, the book cost of which is included in account 364.3, LNG Processing Terminal Equipment. (See operating expense instruction 2.)

**847.4 Maintenance of LNG transportation equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of transportation equipment, the book cost of which is included in account 364.4, LNG Transportation Equipment. (See operating expense instruction 2.)

**847.5 Maintenance of measuring and regulating equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meas-

uring and regulating equipment, the book cost of which is included in account 364.5, Measuring and Regulating Equipment. (See operating expense instruction 2.)

**847.6 Maintenance of compressor station equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of compressor station equipment, the book cost of which is included in account 364.6, Compressor Station Equipment. (See operating expense instruction 2.)

**847.7 Maintenance of communication equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of communication equipment, the book cost of which is included in account 364.7, Communication Equipment. (See operating expense instruction 2.)

**847.8 Maintenance of other equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is included in account 364.8, Other Equipment. (See operating expense instruction 2.)

**850 Operation supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of transmission facilities. Direct supervision of specific activities such as operation of transmission lines, compressor stations, etc. shall be charged to the appropriate account. (See operating expense instruction 1.)

**851 System control and load dispatching.**

This account shall include the cost of labor and expenses incurred in dispatching and controlling the supply and flow of gas through the system.

ITEMS

Labor:

1. Supervising.
2. Analyses of pressures for irregularities, as received.

3. Collecting pressures by telephone and radio.

4. Controlling mixture of various gases to maintain proper Btu content.

5. Correspondence and records, typing and maintaining files.

6. Controlling production and storage inputs and withdrawals.

7. Instructing field men to increase or decrease pressures at regulators.

8. Maintaining pressures at compressor stations, key line junctions and regulating stations to divide the available gas during heavy demand periods.

9. Maintaining pressure log sheets.

10. Maintaining proper compression ratios at compressor stations, consistent with economical operations.

11. Maintaining lowest necessary line pressures consistent with satisfactory service.

12. Maintaining well operation record by well classification.

13. Requesting pressure changes at compressor stations, regulating stations, and key line junctions.

14. Rerouting gas during emergencies and planned shut downs.

*Materials and expenses:*

15. Consultants' fees and expenses.

16. Meals, traveling, and incidental expenses in connection with system load dispatching.

17. Office supplies, stationery and printed forms.

18. Transportation: company and rental vehicles.

19. Utility services: light, water, telephone.

**852 Communication system expenses.**

A. This account shall include the cost of labor, materials used and expenses incurred in connection with the operation of transmission communications facilities, such as radio and telephone communications systems, including payments to others for communications services for transmission and load dispatching operations.

B. Credits shall be made to this account and charges made to production, distribution and other gas utility functions and to other utility departments for equitable portions of transmission communications expenses attributable to use of transmission communications facilities other than in connection with gas transmission and load dispatching operation.

ITEMS

*Labor:*

1. Supervising.

2. Operating switchboards, radio equipment, power generators, microwave equip-

ment, etc. (except general office switchboards.)

3. Tagging telephone poles.

4. Testing and replacing telephone batteries, radio tubes, etc.

5. Cutting weeds and grass along telephone rights-of-way and around structures and equipment.

6. Changing radio frequencies.

7. Securing FCC authorization to change frequencies.

8. Taking FCC radio operator tests.

9. Transferring mobile radios between vehicles.

10. Changing locations of telephones and other communications equipment not in connection with maintenance or construction.

11. Inspecting and testing not specifically to determine necessity for repairs.

12. Cleaning and lubricating equipment.

13. Cleaning structures housing equipment.

*Materials and expenses:*

14. Payments to others for communications services.

15. Telephone batteries, radio tubes, etc.

16. Radio crystals and other materials used in changing radio frequencies.

17. Lubricants, wiping rags, and waste.

18. Employees' transportation and travel expenses.

19. Freight, express, parcel post, trucking, and other transportation.

**853 Compressor station labor and expenses.**

This account shall include the cost of labor, materials used and expenses incurred (other than fuel and power) in operating transmission compressor stations.

ITEMS

*Labor:*

1. Supervising.

2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.

3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.

4. Repacking valves and replacing gauge glasses, etc.

5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.

6. Inspecting and testing equipment not specifically to determine necessity for repairs.

7. Pumping drips at the station.

8. Taking dew point readings.

9. Testing water.

10. Cleaning structures housing equipment, cutting grass and weeds, and minor grading around station.

11. Cleaning and repairing hand tools used in operations.

12. Driving trucks.

13. Watching during shut downs.

14. Clerical work at station.

*Materials and expenses:*

15. Scrubber oil.

16. Lubricants, wiping rags, and waste.

17. Charts and printed forms, etc.

18. Gauge glasses.

19. Chemicals to treat water.

20. Water tests and treatment by other than employees.

21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.

22. Employees' transportation and travel expenses.

23. Freight, express, parcel post, trucking, and other transportation.

24. Utility services: light, water, telephone.

**854 Gas for compressor station fuel.**

A. This account shall include the cost of gas used for the operation of transmission compressor stations.

B. Records shall be maintained to show the Dth of gas consumed at each compressor station, and the cost of such gas.

**855 Other fuel and power for compressor stations.**

A. This account shall include the cost of coal, oil, and other fuel, or electricity, used for the operation of transmission compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel, includible in this account, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for the basis of fuel costs and includible fuel stock expenses.

**856 Mains expenses.**

This account shall include the cost of labor, materials used and expenses in-

curred in operating transmission mains.

ITEMS

*Labor:*

1. Supervising.

2. Walking or patrolling lines.

3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines and drips, draining water from lines, operating and cleaning scrubbers, thawing freezes.

4. Taking line pressures, changing pressure charts, operating alarm gauges.

5. Building and repairing gate boxes, foot bridges, stiles, etc., used in line operations, erecting line markers and warning signs, repairing old line roads.

6. Cleaning debris, cutting grass and weeds on rights-of-way.

7. Inspecting and testing not specifically to determine necessity for repairs.

8. Protecting utility property during work by others.

9. Standby time of emergency crews, responding to fire calls, etc.

10. Locating valve boxes or drip riser boxes.

11. Cleaning and repairing tools used in mains operations, making tool chests, etc.

12. Cleaning structures and equipment.

13. Driving trucks.

*Materials and expenses:*

14. Line markers and warning signs.

15. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, etc.

16. Charts.

17. Scrubber oil.

18. Hand tools.

19. Lubricants, wiping rags, waste, etc.

20. Freight, express, parcel post, trucking and other transportation.

21. Employees' transportation and travel expenses.

22. Janitor and washroom supplies.

23. Utility services: light, water, telephone.

24. Gas used in mains operations.

**857 Measuring and regulating station expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating transmission measuring and regulating stations.

ITEMS

*Labor:*

1. Supervising.

2. Recording pressures and changing charts, reading meters, etc.

3. Estimating lost meter registrations, etc., except gas purchases and sales.

4. Calculating gas volumes from meter charts, except gas purchases and sales.

5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc. not in connection with construction or maintenance.

6. Testing gas samples, inspecting and testing gas sample tanks and other meter engineers' equipment, determining specific gravity and Btu content of gas.

7. Inspecting and testing equipment not specifically to determine necessity for repairs including pulsation tests.

8. Cleaning and lubricating equipment.

9. Keeping log and other operating records, preparing reports of operations, etc.

10. Attending boilers and operating other accessory equipment.

11. Installing and removing district gauges for pressure survey.

12. Thawing freeze in gauge pipe.

13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, etc., blowing meter drips.

14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

*Materials and expenses:*

15. Charts and printed forms.

16. Lubricants, wiping rags, waste.

17. Employees' transportation and travel expense.

18. Freight, express, parcel post, trucking and other transportation.

19. Utility services: light, water, telephone.

**858 Transmission and compression of gas by others.**

A. This account shall include amounts paid to others for the transmission and compression of gas of the utility.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement, name of other party, Dth of gas delivered to the other party for transmission or compression and the Dth of gas received back by the utility after transmission or compression, points of delivery to and receipt of gas from other party, amount and basis of charges for the transmission or compression service.

NOTE: If in connection with any gas delivered to another for transmission or compression such other party also processes the gas for extraction of gasoline or other salable products, credits attributable to the products so extracted shall be made to account 491, Revenues from Natural Gas Processed by Others, to the end that amounts recorded in this account shall only be charges for transportation or compression service.

**859 Other expenses.**

This account shall include the cost of labor, material used and expenses incurred in operating transmission system equipment and other transmission system expenses not includible in any of the foregoing accounts, including research, development, and demonstration expenses.

**860 Rents.**

This account shall include rents for property of others used, occupied or operated in connection with the operation of the transmission system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expense instruction 3.)

**861 Maintenance supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of transmission system facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

**862 Maintenance of structures and improvements.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 366, Structures and Improvements. (See operating expense instruction 2.)

**863 Maintenance of mains.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of mains, the book cost of which is includible in account 367, Mains. (See operating expense instruction 2.)

ITEMS

1. Supervising.
2. Electrolysis and leak inspection.
3. Installing and removing temporary lines, when necessitated by maintenance.
4. Lamping and watching while making repairs.

5. Lowering and changing location of lines, when the same pipe is used.
6. Protecting lines from fires, floods, landslides, etc.
7. Rocking creek crossings.

#### **864 Maintenance of compressor station equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 368, Compressor Station Equipment. (See operating expense instruction 2.)

#### **865 Maintenance of measuring and regulating station equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 369, Measuring and Regulating Station Equipment. (See operating expense instruction 2.)

#### **866 Maintenance of communication equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 370, Communication Equipment. (See operating expense instruction 2.)

#### **867 Maintenance of other equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 371, Other Equipment. (See operating expense instruction 2.)

#### **870 Operation supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of distribution system operations. Direct supervision of specific activities such as load dispatching, mains operation, removing and resetting meters, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

#### **871 Distribution load dispatching.**

This account shall include the cost of labor, materials used and expenses incurred in dispatching and controlling the supply and flow of gas through the distribution system.

##### ITEMS

##### *Labor:*

1. Supervising.
2. Analyzing pressures for irregularities.
3. Collecting pressures by telephone and radio.
4. Controlling mixture of various gases to maintain proper Btu content.
5. Correspondence and records, typing and maintaining files.
6. Controlling gas-make and inputs to distribution system.
7. Maintaining pressures at key points to divide the available gas during heavy demand periods.
8. Maintaining pressure log sheets.
9. Maintaining lowest necessary line pressures consistent with satisfactory service.
10. Rerouting gas during emergencies and planned shut downs.

##### *Materials and expenses:*

11. Consultants' fees and expenses.
12. Meals, traveling, and incidental expenses.
13. Office supplies, stationery and printed forms.
14. Transportation: company and rented vehicles.
15. Utility services: light, water, telephone.

#### **872 Compressor station labor and expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating distribution compressor stations.

##### ITEMS

##### *Labor:*

1. Supervising.
2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.
3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.
4. Repacking valves and replacing gauge glasses, etc.
5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.
6. Inspecting and testing equipment and instruments when not specifically to determine necessity for repairs or replacement of parts.

7. Pumping drips at the station.
8. Taking dew point readings.
9. Testing water.
10. Cleaning structures housing equipment, cutting grass and weeds, and doing minor grading around station.
11. Cleaning and repairing hand tools used in operations.
12. Driving trucks.
13. Watching during shut downs.
14. Clerical work at station.

**Materials and expenses:**

15. Scrubber oil.
16. Lubricants, wiping rags, and waste.
17. Charts and printed forms, etc.
18. Gauge glasses.
19. Chemicals to test water.
20. Water tests and treatment by other than employees.
21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.
22. Employees' transportation and travel expenses.
23. Freight, express, parcel post, trucking, and other transportation.
24. Utility services: light, water, telephone.

**873 Compressor station fuel and power (Major only).**

A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of distribution compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel, except gas, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for the basis of fuel costs and includible fuel stock expenses.

**874 Mains and services expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating distribution system mains and services.

**ITEMS****Labor:**

1. Supervising.
2. Walking or patrolling lines.
3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines

and drips, draining water from lines, thawing freezes.

4. Taking line pressures, changing pressure charts, operating alarm gauges.

5. Building and repairing gate boxes, foot bridges, stiles, etc. used in distribution mains operations, erecting line markers and warning signs, etc.

6. Cleaning debris, cutting grass and weeds on rights-of-way.

7. Inspecting and testing equipment not specifically to determine necessity for repairs.

8. Protecting utility property during work by others.

9. Standby time of emergency crews, responding to fire calls, etc.

10. Locating and inspecting valve boxes or drip riser boxes, service lines, mains, etc.

11. Cleaning and repairing tools used in mains operations, making tool boxes, etc.

12. Cleaning structures and equipment.

13. Driving trucks used in mains and service operations.

14. Making routine leak survey.

15. Oil fogging.

**Materials and Expenses:**

1. Line markers and warning signs.

2. Lumber, nails, etc., used in building and repairing gate boxes (foot bridges, stiles, tool boxes, etc.).

3. Charts and printed forms.

4. Scrubber oils.

5. Hand tools.

6. Lubricants, wiping rags, waste, etc.

7. Freight, express, parcel post, trucking and other transportation.

8. Uniforms.

9. Employee transportation and travel expenses.

10. Janitor and washroom supplies.

11. Utility services: light, water, telephone.

12. Gas used in mains operation.

13. Oil for fogging.

**875 Measuring and regulating station expenses—General.**

This account shall include the cost of labor, materials used and expenses incurred in operating general distribution measuring and regulating stations.

**ITEMS****Labor:**

1. Supervising.

2. Recording pressures and changing charts, reading meters, etc.

3. Estimating lost meter registrations, etc. except purchases and sales.

4. Calculating gas volumes from meter charts, except gas purchases and sales.

5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc.

6. Taking and testing gas samples, inspecting and testing valves, regulators, gas sample tanks and other meter engineers' equipment, determining specific gravity and Btu content of gas.

7. Inspecting and testing equipment and instruments not specially to determine necessity for repairs, including pulsation tests.

8. Cleaning and lubricating equipment.

9. Keeping log and other operating records.

10. Attending boilers and operating other accessory equipment.

11. Installing and removing district gauges for pressure survey.

12. Thawing freeze in gauge pipe.

13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, blowing meter drips, etc.

14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

*Materials and expenses:*

15. Charts and printed forms, stationery and office supplies, etc.

16. Lubricants, wiping rags, waste.

17. Uniforms.

18. Employee transportation and travel expenses.

19. Freight, express, parcel post, trucking and other transportation.

20. Utility services: light, water, telephone.

**876 Measuring and regulating station expenses—Industrial.**

This account shall include the cost of labor, materials used and expenses incurred in operating large measuring and regulating stations located on local distribution systems to serve specific commercial and industrial customers.

ITEMS

(See account 875 for items.)

**877 Measuring and regulating station expenses—City gate check stations.**

This account shall include the cost of labor, materials used and expenses incurred in operating measuring and regulating stations used to measure and regulate the receipt of gas at entry points to distribution systems.

NOTE: Pipe line companies shall include in the transmission functional classification city gate and main line industrial measuring and regulating stations, except that where pipe line companies measure deliveries of gas at entry points to their own distribution systems, they shall have the option, if consistently observed, of including such stations ei-

ther in the transmission or distribution function for accounting purposes.

ITEMS

(See account 875 for items.)

**878 Meter and house regulator expenses.**

This account shall include the cost of labor, materials used and expenses incurred in connection with removing, resetting, changing, testing, and servicing customer meters and house regulators.

ITEMS

*Labor:*

(a) Removing, reinstalling, and changing or exchanging customer meters and house regulators:

1. Initiating or terminating service, including incidental meter reading.

2. Periodic replacement of meters and house regulators because of age.

3. Changing or exchanging meters and house regulators because of complaints or removal for inspection.

4. Resetting meters on existing connections.

5. Handling meters and house regulators to and from customer premises and meter shop.

6. Listing, tagging, and placing meter labels, etc., for removed and reset meters.

7. Changing position of meters or house regulators on the same premises.

8. Installing or removing blank linings.

9. Unproductive calls, etc.

(b) Turning on and turning off meters, except for failures of customers to pay bills:

10. Turning on meters, including necessary time to insure that gas lines are proper to use and that appliances are in usable condition.

11. Turning off meters including time to make safety precautions.

(c) Other:

12. Supervising.

13. Clerical work on meter history and associated equipment record cards, test cards, and reports.

14. Handling and recording meters for stock.

15. Inspecting and testing meters and house regulators.

16. Inspecting and adjusting meter testing equipment.

17. Driving trucks used in meter operations.

*Materials and expenses:*

18. Meter locks and seals.

19. Lubricants, wiping rags, waste, etc.

20. Uniforms.

21. Freight, express, parcel post, trucking, and other transportation.

22. Utility services: light, water, telephone, heating.

23. Office supplies, stationery and printing.

24. Employees' transportation expenses.

25. Janitor, washroom, first aid supplies, etc.

NOTE: The cost of the first setting of a meter or house regulator shall be charged to account 382, Meter Installations, or account 384, House Regulator Installations, as appropriate.

#### 879 Customer installations expenses.

A. This account shall include the cost of labor, materials used and expenses incurred in work on customer premises other than expenses includible in account 878, Meter and House Regulator Expenses, including the cost of servicing customer-owned appliances when the cost of such work is borne by the utility.

B. Damage to customer equipment by employees of the utility whether incidental to the work or the result of negligence, shall be charged to the job on which the employee was engaged at the time of damage.

#### ITEMS

##### Labor:

1. Supervising.
2. Altering customer-owned service extensions or meter connections.
3. Investigating and correcting pressure difficulties or stoppages in customer-owned piping.
4. Adjusting and repairing burner pilots because of impurities in the gas or failure of the distribution system.
5. Oiling or spraying noisy customer meters.
6. Investigating and stopping gas leaks on customers' premises caused by defective meter, customer-owned piping, or customer appliances.
7. Inspecting new installations to determine that the customers' equipment and piping are properly installed and connected.
8. Consolidating meter installations, without change of size, due to elimination of separate meters for different service classifications.
9. Investigating and adjusting complaints of service on customers' premises.
10. Gas load surveys including the incidental preparations and replacement of meters.
11. Unproductive calls.
12. Stenographic and clerical work.
13. Janitorial services, etc.
14. Installing demand or test meters.
15. Inspecting, cleaning, repairing and adjusting customer-owned appliances for do-

mestic, industrial, or commercial use, including house heating furnaces and other space heating appliances, hotel and restaurant appliances.

16. Replacing defective parts in customer-owned appliances and salvaging reusable appliance parts.

##### Materials and expenses:

17. Lubricants, wiping rags, waste, etc.
18. Uniforms.
19. Replacement parts for appliances.
20. Office supplies, printing and stationery.
21. Janitor, washroom, first aid supplies, etc.
22. Employees' transportation and travel expenses.
23. Utility services: light, water, telephone.

NOTE: Amounts billed customers for any work, the cost of which is charged to this account, shall be credited to this account. Any excess over costs resulting therefrom shall be transferred to account 488, Miscellaneous Service Revenues.

#### 880 Other expenses.

This account shall include the cost of distribution maps and records, distribution office expenses, and the cost of labor and materials used and expenses incurred in distribution systems operations not provided for elsewhere, including the expenses of operating street lighting systems and research, development, and demonstration expenses.

#### 881 Rents.

This account shall include rents for property of others used, occupied or operated in connection with the operation of the distribution system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expense instruction 3.)

#### 885 Maintenance supervision and engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of distribution system facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)



**886 Maintenance of structures and improvements.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 375, Structures and Improvements. (See operating expense instruction 2.)

**887 Maintenance of mains.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of distribution mains, the book cost of which is includible in account 376, Mains. (See operating expense instruction 2.)

## ITEMS

1. Supervising.
2. Trenching, backfilling, and breaking and restoring pavement in connection with the installation of leak or reinforcing clamps.
3. Work performed as the result of municipal improvements, such as street widening, sewers, etc., where the gas mains are not retired.
4. Municipal inspections relating to maintenance work.
5. Other work of the following character:
  - a. Locating leaks incident to maintenance.
  - b. Cutting off mains without replacement. (Minor cuts not retired.)
  - c. Repairing leaking joints.
  - d. Repairing broken mains.
  - e. Repairing leaks on main drip riser or valve test pipe.
  - f. Bringing main valve box, main drip riser box, valve test pipe box, or pressure pipe roadway box up to grade.
  - g. Cleaning, repainting, coating, and wrapping exposed mains.
  - h. Repacking main valves.
  - i. Locating and clearing gas main faults.
  - j. Lowering and changing location of mains.
  - k. Trenching, backfilling, cutting-in or removal of pipe not retired in connection with the installation of leak clamps, valves, or drips.
  - l. Watching and lamping open cuts associated with maintenance.
  - m. Restoration of permanent pavement in connection with work chargeable to maintenance.
  - n. Emergency stand-by time associated with maintenance.
  - o. Repairing sewers, drains, walls, etc., when damaged by maintenance work.
  - p. Making electrolysis tests to maintain life of plant.
  - q. Repairing property of others damaged by maintenance work.

**888 Maintenance of compressor station equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 377, Compressor Station Equipment. (See operating expense instruction 2.)

**889 Maintenance of measuring and regulating station equipment—General.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 378, Measuring and Regulating Station Equipment—General. (See operating expense instruction 2.)

**890 Maintenance of measuring and regulating station equipment—Industrial.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 385, Industrial Measuring and Regulating Station Equipment. (See operating expense instruction 2.)

**891 Maintenance of measuring and regulating station equipment—City gate check stations.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 379, Measuring and Regulating Station Equipment—City Gate Check Stations. (See operating expense instruction 2.)

**892 Maintenance of services.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of services, the book cost of which is includible in account 380, Services. (See operating expense instruction 2.)

## ITEMS

1. Supervising.
2. Testing pipe for leaks and condition of wrapping.
3. Testing for, locating, and clearing trouble on company maintained services.

4. Inspecting and testing after repairs have been made.
5. Reporting on the condition of gas services to determine the need for repairs.
6. Making minor repairs and changes.
7. Rearranging and changing the location of services not retired.
8. Repairing service valves for reuse.
9. Stopping leaks on service pipes and drip risers.
10. Lowering and raising curb boxes to grade.
11. Replacing less than a complete service when not retired.
12. Installing fittings, valves, drips, frost protection devices, or replacing similar items on existing services.
13. Cutting and replacing pavement, pavement base and sidewalks in connection with maintenance work.
14. Restoring condition of services damaged by fire, storm, leakage, flood, accident or other casualties.
15. Repairing property of others damaged by maintenance work.
16. Transferring services in connection with the installation of new mains.
17. Installing, maintaining, and removing temporary facilities to prevent the interruption of service.
18. Converting low pressure gas distribution service to medium or high pressure service.
19. Relocating and rerouting gas service temporarily during alterations of buildings.
20. Performing work resulting from municipal improvements, such as street widening, sewers, etc.
21. Replacing service valve box or drip riser box.
22. Installing, removing or replacing service valve, drip pot, or drip riser.
23. Repacking service valve.

#### 893 Maintenance of meters and house regulators.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and house regulators, the book cost of which is includible in accounts 381, Meters, and 383, House Regulators. (See operating expense instruction 2.)

##### ITEMS

1. Inspecting and testing meters and house regulators on customers' premises or in shops in connection with repairs.
2. Cleaning, repairing, and painting meters, house regulators, and accessories and equipment.
3. Repairing testing equipment.
4. Rebuilding and overhauling meters without changing their rated capacities.

5. Resealing house regulators with mercury, replacing diaphragms, springs and other defective or worn parts.
6. Replacing or adding any item not constituting a retirement unit.

#### 894 Maintenance of other equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of street lighting equipment and all other distribution system equipment not provided for elsewhere, the book cost of which is includible in accounts 386, Other Property on Customers' Premises, and 387, Other Equipment. (See operating expense instruction 2.)

#### 901 Supervision.

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer accounting and collecting activities. Direct supervision of a specific activity shall be charged to account 902, Meter Reading Expenses, or account 903, Customer Records and Collection Expenses, as appropriate. (See operating expense instruction 1.)

#### 902 Meter reading expenses.

This account shall include the cost of labor, materials used and expenses incurred in reading customer meters, and determining consumption when performed by employees engaged in reading meters.

##### ITEMS

##### Labor:

1. Addressing forms for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Meter reading—small consumption, and obtaining load information for billing purposes. (Exclude and charge to account 878, Meter and House Regulator Expenses, or to account 903, Customer Records and Collection Expenses, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing or locking, and disconnecting, or reconnecting meters.)

5. Measuring gas—large consumption, including reading meters, changing charts, calculating charts, estimating lost meter registrations, determining specific gravity, etc., for billing purposes.

6. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.

7. Collecting from prepayment meters when incidental to meter reading.

8. Maintaining record of customers' keys.

9. Computing estimated or average consumption when performed by employees engaged in reading meters.

*Materials and expenses:*

10. Badges, lamps, and uniforms.

11. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.

12. Postage and supplies used in obtaining meter readings by mail.

13. Transportation, meals and incidental expenses.

**903 Customer records and collection expenses.**

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

*Items*

*Labor:*

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.

2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.

3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.

4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.

5. Preparing address plates and addressing bills and delinquent notices.

6. Preparing billing data.

7. Operating billing and bookkeeping machines.

8. Verifying billing records with contracts or rate schedules.

9. Preparing bills for delivery, and mailing or delivering bills.

10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.

11. Balancing collections, preparing collections for deposit, and preparing cash reports.

12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.

13. Balancing customer accounts and controls.

14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.

15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.

16. Disconnecting and reconnecting services because of nonpayment of bills.

17. Receiving, recording, and handling of inquiries, complaints, and requests for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.

18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.

19. Preparing and periodically rewriting meter reading sheets.

20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

*Materials and expenses:*

21. Address plates and supplies.

22. Cash overages and shortages.

23. Commissions or fees to others for collecting.

24. Payments to credit organizations for investigations and reports.

25. Postage.

26. Transportation expenses, including transportation of customer bills and meter books under centralized billing procedure.

27. Transportation, meals, and incidental expenses.

28. Bank charges, exchange, and other fees for cashing and depositing customers' checks.

29. Forms for recording orders for services, removals, etc.

30. Rent of mechanical equipment.

NOTE: The cost of work on meter history and meter location records is chargeable to account 878, Meter and House Regulator Expenses.

**904 Uncollectible accounts.**

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues.

Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts—Credit. Losses from uncollectible accounts shall be charged to account 144.

**905 Miscellaneous customer accounts expenses.**

This account shall include the cost of labor, materials used and expenses incurred not provided for in other accounts.

ITEMS

*Labor:*

1. General clerical and stenographic work.
2. Miscellaneous labor.

*Materials and expenses:*

3. Communication service.
4. Miscellaneous office supplies and expenses and stationery and printing other than those specifically provided for in accounts 902 and 903.

**907 Supervision.**

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer service activities, the object of which is to encourage safe, efficient and economical use of the utility's service. Direct supervision of a specific activity within customer service and informational expense classification shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 1.)

**908 Customer assistance expenses.**

This account shall include the cost of labor, materials used, and expenses incurred in providing instructions or assistance to customers, the object of which is to promote safe, efficient and economical use of the utility's service.

ITEMS

*Labor:*

1. Direct supervision of department.
2. Processing customer inquiries relating to the proper use of gas equipment, the replacement of such equipment and information related to such equipment.
3. Advice directed to customers as to how they may achieve the most efficient and safest use of gas equipment.
4. Demonstrations, exhibits, lectures, and other programs designed to instruct customers in the safe, economical or efficient

use of gas service, and/or oriented toward conservation of energy.

5. Engineering and technical advice to customers, the object of which is to promote safe, efficient and economical use of the utility's service.

*Materials and expenses:*

6. Supplies and expenses pertaining to demonstrations, exhibits, lectures, and other programs.
7. Loss in value on equipment and appliances used for customer assistance programs.
8. Office supplies and expenses.
9. Transportation, meals, and incidental expenses.

NOTE: Do not include in this account expenses that are provided for elsewhere, such as accounts 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, 879, Customer Installations Expenses, and 912, Demonstrating and Selling Expenses.

**909 Informational and instructional advertising expenses.**

This account shall include the cost of labor, materials used and expenses incurred in activities which primarily convey information as to what the utility urges or suggests customers should do in utilizing gas service to protect health and safety, to encourage environmental protection, to utilize their gas equipment safely and economically, or to conserve natural gas.

ITEMS

*Labor:*

1. Direct supervision of informational activities.
2. Preparing informational materials for newspapers, periodicals, billboards, etc., and preparing and conducting informational motion pictures, radio and television programs.
3. Preparing informational booklets, bulletins, etc., used in direct mailings.
4. Preparing informational window and other displays.
5. Employing agencies, selecting media and conducting negotiations in connection with the placement and subject matter of informational programs.

*Materials and expenses:*

6. Use of newspapers, periodicals, billboards, radio, etc., for informational purposes.
7. Postage on direct mailings to customers exclusive of postage related to billings.
8. Printing of informational booklets, dodgers, bulletins, etc.
9. Supplies and expenses in preparing informational materials by the utility.
10. Office supplies and expenses.

NOTE A: Exclude from this account and charge to account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all expenses of a promotional, institutional, goodwill or political nature, which are includible in such accounts as 913, Advertising Expenses, 930.1, General Advertising Expenses, and 426.4, Expenditures for Certain Civic, Political and Related Activities.

NOTE B: Entries relating to informational advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message shall be readily available.

#### **910 Miscellaneous customer service and informational expenses.**

This account shall include the cost of labor, materials used and expenses incurred in connection with customer service and informational activities which are not includible in other customer information expense accounts.

##### ITEMS

###### *Labor:*

1. General clerical and stenographic work not assigned to specific customer service and information programs.

2. Miscellaneous labor.

###### *Materials and expenses:*

3. Communication service.

4. Printing, postage and office supplies expenses.

#### **911 Supervision.**

This account shall include the cost of labor and expenses incurred in the general direction and supervision of sales activities, except merchandising. Direct supervision of a specific activity, such as demonstrating, selling, or advertising shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 1.)

#### **912 Demonstrating and selling expenses.**

This account shall include the cost of labor, materials used and expenses incurred in promotional, demonstrating, and selling activities, except by merchandising, the object of which is to promote or retain the use of utility services by present and prospective customers.

##### ITEMS

###### *Labor:*

1. Demonstrating uses of utility services.

2. Conducting cooking schools, preparing recipes, and related home service activities.

3. Exhibitions, displays, lectures, and other programs designed to promote use of utility services.

4. Experimental and development work in connection with new and improved appliances and equipment, prior to general public acceptance.

5. Solicitation of new customers or of additional business from old customers, including commissions paid employees.

6. Engineering and technical advice to present or prospective customers in connection with promoting or retaining the use of utility services.

7. Special customer canvasses when their primary purpose is the retention of business or the promotion of new business.

###### *Materials and expenses:*

8. Supplies and expenses pertaining to demonstration, and experimental and development activities.

9. Booth and temporary space rental.

10. Loss in value on equipment and appliances used for demonstration purposes.

11. Transportation, meals, and incidental expenses.

#### **913 Advertising expenses.**

This account shall include the cost of labor, materials used and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise by the utility.

##### ITEMS

###### *Labor:*

1. Direct supervision of department.

2. Preparing advertising material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio and television programs.

3. Preparing booklets, bulletins, etc., used in direct mail advertising.

4. Preparing window and other displays.

5. Clerical and stenographic work.

6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of sales advertising.

###### *Materials and expenses:*

7. Advertising in newspapers, periodicals, billboards, radio, etc., for sales promotion purposes, but not including institutional or goodwill advertising includible in account 930.1, General Advertising Expenses.

8. Materials and services given as prizes or otherwise in connection with canning, or cooking contests, bazaars, etc., in order to

publicize and promote the use of utility services.

9. Fees and expenses of advertising agencies and commercial artists.

10. Novelties for general distribution.

11. Postage on direct mail advertising.

12. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.

13. Printing booklets, dodgers, bulletins, etc.

14. Supplies and expenses in preparing advertising material.

15. Office supplies and expenses.

**NOTE A:** The cost of advertisements which set forth the value or advantages of utility service without reference to specific appliances, or, if reference is made to appliances, invites the reader to purchase appliances from his dealer, or refer to appliances not carried for sale by the utility, shall be considered sales promotion advertising and charged to this account. However, advertisements which are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, shall be considered as merchandise advertising and the cost shall be charged to Costs and Expenses of Merchandising, Jobbing and Contract Work, accounts 416.

**NOTE B:** Advertisements which substantially mention or refer to the value or advantages of utility service, together with specific reference to makes of appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, shall be considered as a combination advertisement and the costs shall be distributed between this account and account 416 on the basis of space, time, or other proportional factors.

**NOTE C:** Exclude from this account and charge to account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all institutional or goodwill advertising. (See account 930.1, General Advertising Expenses.)

#### 914-915 [Reserved]

#### 916 Miscellaneous sales expenses.

This account shall include the cost of labor, materials used and expenses incurred in connection with sales activities, except merchandising, which are not includible in other sales expense accounts.

#### ITEMS

Labor:

1. General clerical and stenographic work not assigned to specific functions.

2. Special analysis of customer accounts and other statistical work for sales purposes not a part of the regular customer accounting and billing routine.

3. Miscellaneous labor.

#### Materials and expenses:

4. Communication service.

5. Printing, postage, and office supplies and expenses applicable to sales activities, except those chargeable to account 913, Advertising Expenses.

#### 920 Administrative and general salaries.

A. This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operating function.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

#### 921 Office supplies and expenses.

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

**NOTE:** Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function shall be included in account 930.2, Miscellaneous General Expenses.

#### ITEMS

1. Automobile service, including charges through clearing account.

2. Bank messenger and service charges.

3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.

4. Building service expenses for customer accounts, sales, and administrative and general purposes.

5. Communication service expenses.

6. Cost of individual items of office equipment used by general departments which are of small value or short life.

7. Membership fees and dues in trade, technical, and professional associations paid by a utility for employees. (Company memberships are includible in account 930.2.)

8. Office supplies and expenses.

9. Payment of court costs, witness fees, and other expenses of legal department.

10. Postage, printing and stationery.

11. Meals, traveling and incidental expenses.

#### 922 Administrative expenses transferred—Credit.

This account shall be credited with administrative expenses recorded in accounts 920 and 921 which are transferred to construction costs or to non-utility accounts. (See gas plant instruction 4.)

#### 923 Outside services employed.

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered as an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

##### ITEMS

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.

2. Supervision fees and expenses paid under contracts for general management services.

NOTE: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

#### 924 Property insurance.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations. It shall include also the cost of labor and related supplies and expenses incurred in property insurance activities.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

##### ITEMS

1. Premiums payable to insurance companies for fire, storm, burglary, boiler explosion, lightning, fidelity, riot, and similar insurance.

2. Amounts credited to account 228.1, Accumulated Provision for Property Insurance; for similar protection.

3. Special costs incurred in procuring insurance.

4. Insurance inspection service.

5. Insurance counsel, brokerage fees, and expenses.

NOTE A: The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

NOTE B: The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated.

(1) Materials and supplies and stores equipment, to account 163, Stores Expense Undistributed or appropriate materials account.

(2) Transportation and other general equipment to appropriate clearing accounts that may be maintained.

(3) Gas plant leased to others, to account 413, Expenses of Gas Plant Leased to Others.

(4) Nonutility property, to the appropriate nonutility income account.

(5) Merchandise and jobbing property, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

NOTE C: The cost of labor and related supplies and expenses of administrative and general employees, who are only incidentally

engaged in property insurance work, may be included in accounts 920 and 921, as appropriate.

#### 925 Injuries and damages.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims. It shall also include the cost of labor and related supplies and expenses incurred in injuries and damages activities.

B. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

#### ITEMS

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 228.2, Accumulated Provision for Injuries and Damages; for similar protection.
2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.
3. Fees and expenses of claim investigators.
4. Payment of awards to claimants for court costs and attorneys' services.
5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.
6. Compensation payments under workmen's compensation laws.
7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)
8. Cost of safety, accident prevention and similar educational activities.

NOTE A: Payments to or in behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, shall be charged to account 926, Employee Pensions and Benefits. (See also Note B of account 926.)

NOTE B: The cost of injuries and damages or reserve accruals capitalized shall be charged to construction directly or by transfer to construction work orders from this account.

NOTE C: Exclude herefrom the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

NOTE D: The cost of labor and related supplies and expenses of administrative and general employees, who are only incidentally engaged in injuries and damages activities, may be included in accounts 920 and 921, as appropriate.

#### 926 Employee pensions and benefits.

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for this purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payments for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, educational or recreational activities for the benefit of employees, and administrative expenses in connection with employee pensions and benefits.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the accounts involved and are not included herein in the first instance.

D. Records in support of this account shall be so kept that the total pensions expense, the total benefits expense, the administrative expenses included herein, and the amounts of pensions and benefits expenses transferred to construction or other accounts will be readily available.

#### ITEMS

1. Payment of pensions under a nonaccrual or nonfunded basis.



2. Accruals for or payments to pension funds or to insurance companies for pension purposes.

3. Group and life insurance premiums (credit dividends received).

4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.

5. Payments for accident, sickness, hospital, and death benefits or insurance.

6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.

7. Expenses in connection with educational and recreational activities for the benefit of employees.

NOTE A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities, may be included in accounts 920 and 921, as appropriate.

NOTE B: Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.

#### 927 Franchise requirements.

A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements; provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, utility service furnished without charge under provisions of franchises.

B. When no direct outlay is involved, concurrent credit for such charges shall be made to account 929, Duplicate Charges—Cr.

C. The account shall be maintained so as to readily reflect the amounts of cash outlays, utility service supplied without charge, and other items furnished without charge.

NOTE A: Franchise taxes shall not be charged to this account but to account 408.1, Taxes Other Than Income Taxes, Utility Operating Income.

NOTE B: Any amount paid as initial consideration for a franchise running for more than one year shall be charged to account 302, Franchises and Consents.

#### 928 Regulatory commission expenses.

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees.

B. Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to account 186, Miscellaneous Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

#### ITEMS

1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

2. Office supplies and expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

3. All application fees except those involving construction certificate applications which have been approved. (See Gas Plant Instruction 16.)

NOTE A: Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

NOTE B: Do not include in this account amounts includible in account 302, Franchises and Consents, account 181, Unamortized Debt Expense, or account 214, Capital Stock Expense.

#### 929 Duplicate charges—Credit.

This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of utility service

from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay.

#### 930.1 General advertising expenses.

This account shall include the cost of labor, materials used, and expenses incurred in advertising and related activities, the cost of which by their content and purpose are not provided for elsewhere.

##### ITEMS

###### Labor:

1. Supervision.
2. Preparing advertising material for newspapers, periodicals, billboards, etc., and preparing or conducting motion pictures, radio and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail advertising.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating and employing advertising agencies, selecting media and conducting negotiations in connection with the placement and subject matter of advertising.

###### Materials and expenses:

7. Advertising in newspapers, periodicals, billboards, radio, etc.
8. Advertising matter such as posters, bulletins, booklets and related items.
9. Fees and expenses of advertising agencies and commercial artists.
10. Postage and direct mail advertising.
11. Printing of booklets, dodgers, bulletins, etc.
12. Supplies and expenses in preparing advertising materials.
13. Office supplies and expenses.

NOTE A: Properly includible in this account is the cost of advertising activities on a local or national basis of a goodwill or institutional nature, which is primarily designed to improve the image of the utility or the industry, including advertisements which inform the public concerning matters affecting the company's operations, such as, the cost of providing service, the company's efforts to improve the quality of service, the company's efforts to improve and protect the environment, etc. Entries relating to advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message shall be readily available.

NOTE B: Exclude from this account and include in account 426.4. Expenditures for Certain Civic, Political and Related Activities, expenses for advertising activities, which are designed to solicit public support or the sup-

port of public officials in matters of a political nature.

#### 930.2 Miscellaneous general expenses.

This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

##### ITEMS

###### Labor:

1. Miscellaneous labor not elsewhere provided for:

###### Expenses:

2. Industry Association dues for company memberships.
3. Contributions for conventions and meetings of the industry.
4. Research, development, and demonstration expenses not charged to other operation and maintenance expense accounts on a functional basis.
5. Communication service not chargeable to other accounts.
6. Trustee, registrar, and transfer agent fees and expenses.
7. Stockholders meeting expenses.
8. Dividend and other financial notices.
9. Printing and mailing dividend checks.
10. Directors' fees and expenses.
11. Publishing and distributing annual reports to stockholders.
12. Public notices of financial, operating, and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

#### 931 Rents.

This account shall include rents properly includible in utility operating expenses for the property of others used, occupied, or operated in connection with the customer accounts, customer service and informational, sales, and general and administrative functions of the utility. (See operating expense instruction 3.)

#### 932 Maintenance of general plant.

A. This account shall include the cost assignable to customer accounts, sales and administrative and general functions of labor, materials used and expenses incurred in the maintenance of property, the book cost of which is includible in account 390, Structures and Improvements, account 391, Office Furniture and Equipment, account 397, Communication Equipment, and account 398, Miscellaneous Equipment. (See operating expense instruction 2.)

B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

Manufactured Gas Production, accounts 708, 742  
 Natural Gas Production and Gathering, account 769  
 Natural Gas Production Extraction, account 791  
 Underground Storage, account 837  
 Local Storage, account 846.2  
 Transmission Expenses, account 867  
 Distribution Expenses, account 894  
 Merchandising and Jobbing, account 416  
 Garage, Shops, etc.—appropriate clearing account, if used.

NOTE: Maintenance of plant included in other general plant equipment accounts shall be included herein unless charged to clearing accounts or to a particular functional maintenance expense indicated by the use of the equipment.

#### PART 204—NOTE [RESERVED]

NOTE: For the Uniform System of Accounts for Natural Gas Companies subject to the Natural Gas Act, see part 201 of this subchapter. (Order 390, 49 FR 32526, Aug. 14, 1984; 50 FR 5745, Feb. 12, 1985)

#### PART 225—PRESERVATION OF RECORDS OF NATURAL GAS COMPANIES

Sec.

225.1 Promulgation.

225.2 General instructions.

225.3 Schedule of records and periods of retention.

AUTHORITY: 15 U.S.C. 717-717w, 3301-3432; 16 U.S.C. 792-828c; 42 U.S.C. 7101-7352; E.O. 12009, 3 CFR 1978 Comp. p. 142.

##### § 225.1 Promulgation.

This part is prescribed and promulgated as the regulations governing the preservation of records by natural gas companies subject to the jurisdiction of the Commission, to the extent and in the manner set forth therein.

[Order 617, 65 FR 48160, Aug. 7, 2000]

##### § 225.2 General instructions.

(a) *Scope of this part.* (1) The regulations in this part must apply to all books of account and other records prepared by or on behalf of the natural gas

company. See item 40 of the schedule for those records that come into possession of the natural gas company in connection with the acquisition of property, such as purchases, consolidation, merger, etc.

(2) The regulations in this part should not be construed as excusing compliance with other lawful requirements of any other governmental body, Federal or State, prescribing other record keeping requirements, or for preservation of records for periods longer than those prescribed in this part.

(3) To the extent that any Commission regulations may provide for a different retention period, the records should be retained for the longer of the retention periods.

(4) Records other than those listed in the schedule may be destroyed at the option of the natural gas company: *Provided, however,* That records which are used in lieu of those listed shall be preserved for the periods prescribed for the records used for substantially similar purposes. And, *provided further,* That retention of records pertaining to added services, functions, plant, etc., the establishment of which cannot be presently foreseen, shall conform to the principles embodied herein.

(5) Notwithstanding the provisions of the Records Retention Schedule, the Commission may, upon the request of the company, authorize a shorter period of retention for any record listed therein upon a showing by the company that preservation of such record for a longer period is not necessary or appropriate in the public interest or for the protection of investors or consumers.

(b) *Designation of supervisory official.* Each natural gas company subject to the regulations in this part shall designate one or more persons with official responsibility to supervise the natural gas company's program for preservation and the authorized destruction of its records.

(c) *Protection and storage of records.* The natural gas company shall provide reasonable protection for records subject to the regulations in this part from damage by fires, floods, and other hazards and, in the selection of storage