lachicola River Entrance Range Front Light at the west side of the entrance to the river.

§ 302.95 *Sounds, lakes, and harbors on the coasts of Alabama, Mississippi, and Louisiana from Mobile Bay, Ala., to Barataria Bay, La., including the Delta of the Mississippi River.* Starting from a point which is located 1 mile, 90° true, from Mobile Point Lighthouse, a line drawn to Mobile Entrance Lighted Whistle Buoy 1; thence to Ship Island Lighthouse; thence to Chandeleur Lighthouse. A line drawn from the southwesternmost extremity of Errol Island to Pass a Loutre Lighted Whistle Buoy 4.

§ 302.100 *Mobile and Mississippi Rivers.* Pilot Rules for Western Rivers are to be followed in Mobile River above Choctaw Point; and also in Mississippi River inside South Pass Lighted Whistle Buoy 2 and Southwest Pass Entrance Midchannel Lighted Whistle Buoy.

§ 302.105 *Sabine Pass, Tex.* Inland Rules are to be followed northward of Sabine Pass Lighted Whistle Buoy 1, in Sabine Pass and all tributary waters.

§ 302.110 *Galveston Harbor.* A line drawn from Galveston North Jetty Light to Galveston Bar Lighted Whistle Buoy 1; thence to Galveston (S.) Jetty Lighthouse.

§ 302.115 *Brazos River, Tex.* Inland Rules are to be followed in the river and in the entrance inside of Freeport Entrance Lighted Bell Buoy 1.

PACIFIC COAST

§ 302.120 *Juan de Fuca Strait, Wash., and Puget Sound.* A line drawn from the northernmost point of Angeles Point to Hein Bank Lighted Bell Buoy; thence to Line Kiln Light; thence to Kellett Bluff Light; thence to Turn Point Light on Stuart Island; thence to westernmost extremity of Skipjack Island; thence to Patos Island Light; thence to Point Roberts Light.

§ 302.125 *Columbia River Entrance.* A line drawn from the west end of the north jetty (above water) to South Jetty Bell Buoy 2S.

§ 302.130 *San Francisco Harbor.* A straight line from Bonita Point Lighthouse drawn through Mile Rocks Lighthouse to the shore.

§302.135 *San Pedro Bay.* A line drawn from Los Angeles Harbor Lighthouse through the axis of the new breakwater to the easternmost extremity (above water); thence to Anaheim Bay East Jetty Light 4.

§ 302.140 *San Diego Harbor.* A line drawn from the southerly tower of the Coronado Hotel to Outside Bar Lighted Bell Buoy 1SD; thence to Point Loma Lighthouse.

TERRITORY OF HAWAII

§ 302.175 *Mamala Bay.* A line drawn from Barbers Point Lighthouse to Diamond Head Lighthouse.

PUERTO RICO AND VIRGIN ISLANDS

§ 302.200 *San Juan Harbor.* A line drawn from the northwesternmost extremity of Morro Point to San Juan Harbor Lighted Buoy No. 1; thence to San Juan Harbor Lighted Buoy No. 2; thence to the northernmost extremity of Cabras Island.

§ 302.205 *Arecibo Harbor.* A line drawn from the westernmost extremity of the breakwater through Arecibo Harbor Lighted Buoy No. 1; thence through Arecibo Harbor Lighted Buoy No. 2; thence to shore in line with the church tower in Arecibo.

§ 302.210 *Mayaguez Harbor.* A line drawn from the southwesternmost extremity of Point Algarrobo through Inner Manchas Bell Buoy No. 3; thence to Manchas Grande Lighted Buoy No. 2; thence to the northwesternmost extremity of Point Guanajibo.

§ 302.215 *Guanica Harbor.* A line drawn from the easternmost extremity of Point Brea through La Laja Shoal Lighted Buoy No. 2; thence to the westernmost extremity of Point Jacinto.

§ 302.220 *Guayanilla Harbor.* A line drawn from the southeasternmost extremity of Point Ventana through Guayanilla Harbor Lighted Buoy No. 2; thence to the southeasternmost extremity of Point Guayanilla.

§ 302.225 *Ponce Harbor.* A line drawn from the southeasternmost extremity of Point Cuchara through Ponce Harbor Lighted Buoy No. 1; thence to Ponce Harbor Lighted Buoy No. 2; thence to the southwesternmost extremity of Cabullon Point.

§ 302.230 *Jobos Harbor.* A line drawn from Point Arenas through Jobos Harbor Light; thence to Jobos Harbor entrance Lighted Buoy No. 2; thence to the southernmost extremity of Morrillo Island; thence to the southernmost extremity of Pajaros Island.

§ 302.235 *St. Thomas Harbor, Island of St. Thomas, Virgin Islands.* A line drawn from the southernmost extremity of Red Point through Mosquito Bay can buoy No. 1; thence to Porpoise Rocks Lighted Buoy No. 2; thence to the southernmost extremity of Flamingo Point; thence to The Triangles Bel Buoy No. 2; thence to Green Cay.

§ 302.240 *Christiansted Harbor, Island of St. Croix, Virgin Islands.* A line drawn from Shoy Point to Scotch Bank Lighted Buoy No. 1; thence to Long Reef Range Rear Daybeacon; thence to shore in range with stack at Little Princesse northwestward of leper settlement.

§ 302.245 *Vieques Sound.* A line drawn from the easternmost extremity of Point Yeguas, Puerto Rico, to a point one mile due south of the lighthouse at entrance to Port Ferro; thence eastward in a straight line to a point one mile southeast of East Point Light, Vieques; thence, in a straight line, to the easternmost extremity of Reef Point, Culebrita Island. A line from the northernmost extremity of Northeast Cay to Pilot Rock Buoy No. 1; thence to Las Cucarachas Light; thence to San Juan Light.

Dated: December 12, 1947.

[SEAL] J. F. FARLEY,
Admiral, U. S. Coast Guard,
Commandant.

[F. R. Doc. 47-11135; Filed, Dec. 18, 1947; 8:58 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

[Rev. S. O. 434]

PART 95—CAR SERVICE

FREE TIME ON BOX CARS AT PACIFIC COAST PORTS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 15th day of December A. D. 1947.

It appearing, that there is a critical shortage of box cars and that free time published in tariffs for unloading such cars at certain ports aggravates the shortage thereof; in the opinion of the Commission an emergency exists requiring immediate action to alleviate the box car shortage at Pacific coast ports: It is ordered, that no common carrier by railroad, subject to the Interstate Commerce Act, shall:

§ 95.434 *Free time reduced at Pacific coast ports.* (a) Allow, grant or permit more than a total of 7 days free time (computed in accordance with applicable tariff provisions) on box cars held in coastwise, intercoastal or foreign commerce at Pacific coast ports for unloading from car to vessel or when held short of such port transfer point. The provisions of this paragraph shall not be construed to require or permit the increase of any free time published in tariffs lawfully on file with this Commission.

(b) *Definition of box car.* The term "box car" as used in this section means freight equipment having a mechanical designation in the Official Railway Equipment Register prefixed by "X" or "V".

(c) *Effective date.* This section shall become effective at 7:00 a. m., January 1, 1948.

(d) *Expiration date.* This section shall expire at 7:00 a. m., July 18, 1948, unless otherwise modified, changed, suspended or annulled by order of this Commission.

(e) *Tariff provisions suspended.* The operation of all tariff rules and regulations, insofar as they conflict with the provisions of this section, is hereby suspended.

(f) *Announcement of suspension.* Each railroad, or its agent, shall publish, file, and post a supplement to each of its tariffs affected thereby, in substantial accordance with the provisions of Rule 9 (k) of the Commission's Tariff Circular No. 20 (§ 141.9 (k) of this chapter), announcing the suspension of the operation of any of the provisions therein, and establishing the substituted provisions set forth herein.

It is further ordered, that this order shall vacate and supersede Service Order 434 (11 F. R. 893) as amended, on the effective date hereof; a copy of this order and direction shall be served upon the Association of American Railroads, Car Service Division, as Agent of the Railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the

Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 1, 24 Stat. 379, as amended, 40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U. S. C. 1 (10)–(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-11131; Filed, Dec. 18, 1947; 8:47 a. m.]

[Rev. S. O. 798]

PART 95—CAR SERVICE

DEMURRAGE CHARGES ON PRIVATELY OWNED TANK CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of December A. D. 1947.

It appearing, that there has been a marked increase in production and consumption of commodities requiring domestic movement by privately owned tank cars over the past year; that since 1932, except for certain years and especially the war years, when retirements have been deferred, there has been a progressive reduction in private ownership of such special equipment; that undue delays to privately owned tank cars in railroad service must be reduced to assure maximum utilization of such special equipment; that privately owned tank cars in railroad service held for unloading, reconsigning, diversion or reshipment, without limitation of time on private tracks at destination diminishes and retards the use, control, supply, movement, distribution, exchange, interchange, and return of such special equipment and is contrary to the interest of the public and the commerce of the people; that such use of this equipment impairs the provision for adequate transportation to meet the needs of our commerce; the Commission is of the opinion that an emergency requiring immediate action exists in all sections of the country: It is ordered, that:

§ 95.798 *Tariff rule suspended on private tank cars.* (a) Rule 1, section B, paragraph 4 (a), including Notes 1 and 2, page 9, Supplement No. 52 of Association of American Railroads Freight Tariff No. 4-Y, I. C. C. No. 3963, supplements thereto or reissues thereof, and similar provisions in other demurrage tariffs, are hereby suspended (see Exception 1) with respect to loaded private tank cars suitable for interchange of A. A. R. Mechanical Designation "TM", "TMI", "TA", "TAI", "TP", or "TPI", as described or listed in The Official Railway Equipment Register, I. C. C.-R. E. R. No. 285, or reissues thereof, issued by M. A. Zenobia, Agent, when held for unloading, reconsignment, diversion or reshipment, at destination on private tracks, when the ownership of the cars and the track is the same, and the provisions of paragraph (b) of this section shall be applied by each common carrier by railroad subject to the Interstate Commerce Act.

(b) *Private tank cars subject to demurrage rules and charges.* Loaded private tank cars suitable for interchange of A. A. R. Mechanical Designation "TM", "TMI", "TA", "TAI", "TP", or "TPI", as described or listed in The Official Railway Equipment Register, I. C. C.-R.E.R. No. 285, or reissues thereof, issued by M. A. Zenobia, Agent, when held for unloading, reconsignment, diversion or reshipment, at destination on private tracks, when the ownership of the car or cars and the track is the same, shall be subject to demurrage rules and charges (see Exception 1) to the same extent as cars of railroad ownership.

Exception 1. No provision of this section is applicable to tank cars designated "TP" or "TPI" when loaded with Anhydrous Hydrofluoric Acid, Carbon Dioxide, Chlorine, Ethyl Chloride, Ethylene Oxide, Metallic Sodium, Methyl Chloride, Sulphur Dioxide or Motor Fuel Anti-knock Compound.

(c) *Application.* (1) The provisions of this section shall apply to intrastate and interstate traffic.

(2) "Private tank cars" includes those owned or controlled by national, state and municipal governments.

(3) The provisions of this section shall not apply to privately owned tank cars while such cars are used in intraplant service.

(d) *Effective date.* This section shall become effective at 7:00 a. m., December 20, 1947, and the provisions of this section shall apply to cars actually or constructively placed on or after the effective date hereof.

(e) *Expiration date.* This section shall expire at 7:00 a. m., March 1, 1948, unless otherwise modified, suspended or annulled by order of the Commission.

(f) *Tariff provisions suspended.* Except to the extent provided for in this section, the operation of all rules, regulations or charges, insofar as they conflict with the provisions of this section, is hereby suspended.

(g) *Announcement of suspension.* Each railroad, or its agent, shall publish, file and post a supplement to each of its tariffs affected thereby, in substantial accordance with the provisions of Rule 9 (k) of the Commission's Tariff Circular No. 20 (§ 141.9 (k) of this chapter) announcing the suspension of the operation of any of the conflicting provisions therein, and establishing the substituted provisions set forth herein.

It is further ordered, that this order shall vacate and supersede Service Order No. 798 on the effective date hereof; that a copy of this order and direction shall be served upon the State railroad regulatory bodies of each State, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 1, 24 Stat. 379, as amended, 40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U. S. C. 1 (10)–(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-11130; Filed, Dec. 18, 1947; 8:47 a. m.]

[S. O. 82, Amdt. 5]

PART 96—JOINT USE OF TERMINALS

JOINT USE OF TERMINALS AT LOUISVILLE, KY., FOR LIVESTOCK

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 15th day of December A. D. 1947.

Upon further consideration of the provisions of Service Order No. 82 (8 F. R. 8515), as amended (11 F. R. 8451; 9452; 12 F. R. 1168; 4143), and good cause appearing therefor: It is ordered, that:

Section 96.3 *Joint use of terminals at Louisville, Ky., for livestock,* of Service Order No. 82, as amended, be, and it is hereby, further amended by adding the following paragraph:

This section, as amended, shall expire at 11:59 p. m., July 9, 1948, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 12:01 a. m., December 31, 1947, and it shall vacate and supersede Amendment No. 3 to Service Order No. 82 on the effective date hereof; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 1, 24 Stat. 379, as amended, 40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U. S. C. 1 (10)–(17))

By the Commission Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-11129; Filed, Dec. 18, 1947; 8:47 a. m.]

TITLE 18—CONSERVATION OF POWER

Chapter I—Federal Power Commission

[Order No. 141]

ADOPTING AND PROMULGATING CODIFICATION AND REISSUANCE OF GENERAL RULES, INCLUDING RULES OF PRACTICE AND PROCEDURE

DECEMBER 11, 1947.

It appearing to the Commission that:

(a) Since the adoption of its general rules, including the rules of practice and procedure, effective June 1, 1938 (Title 18—Conservation of Power, Chapter I—Federal Power Commission) numerous amendments and changes have been adopted.

(b) The amended rules as currently effective are nowhere codified and reprinted in their entirety.

The Commission, therefore, finds that:

(1) A codification, reissuance and reprinting for convenient reference of the Commission's general rules, including the rules of practice and procedure, is necessary and appropriate for carrying out the provisions of the Federal Power

Act, the Natural Gas Act and other Commission authority.

(2) All amendments which have been made since June 1, 1938, the effective date of the original codification, through December 31, 1947, and currently effective January 1, 1948, have been incorporated in this codification which has been prepared by the Division of the Federal Register with the concurrence of the Federal Power Commission.

(3) It is appropriate that codification and reissuance of the Commission's general rules, including the rules of practice and procedure as herein approved and adopted, be made effective January 1, 1948.

(4) Notice and public procedure hereon are unnecessary.

Wherefore, the Commission orders that:

(A) Pursuant to the authority vested in the Commission by the Federal Power Act (49 Stat. 838; 16 U. S. C. 791a), particularly sections 10, 205, 209, 301, 307, 308, and 309 thereof; the Natural Gas Act (52 Stat. 833; 15 U. S. C. 717), particularly sections 4, 7, 8, 9, 10, 15, 16 and 17 thereof; the Administrative Procedure Act (60 Stat. 237), particularly sections 3, 4, and 8 thereof; and Executive Order No. 8202, dated July 13, 1939, the Commission hereby approves, adopts and promulgates the following codification and reissuance of its general rules, including rules of practice and procedure, effective January 1, 1948.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

SUBCHAPTER A—GENERAL RULES

Part 01—Organization.
Part 02—Course and method of operation.
Part 03—Substantive rules, general policy and interpretations.
Part 1—Rules of practice and procedure.

SUBCHAPTER B—REGULATIONS UNDER THE FEDERAL POWER ACT

Part 4—Licenses, permits, and determination of project costs.
Part 5—Application for amendment of license.
Part 6—Surrender or termination of license.
Part 9—Transfer of license or lease of project property.
Part 11—Annual charges.
Part 16—Application for license for project under license which expires on specified date.
Part 20—Authorization of the issuance of securities by licensees and companies subject to sections 19 and 20 of the Federal Power Act.
Part 24—Declaration of intention.
Part 25—Application for vacation of withdrawal and for determination permitting restoration to entry.
Part 32—Interconnection of facilities; emergencies; transmission to foreign country.
Part 33—Application for sale, lease, or other disposition, merger, or consolidation of facilities, or for purchase or acquisition of securities of a public utility.
Part 34—Application for authorization of the issuance of securities or the assumption of liabilities.
Part 35—Filing of rate schedules.
Part 41—Accounts, records, and memoranda.
Part 45—Application for authority to hold interlocking positions.

SUBCHAPTER C—ACCOUNTS, FEDERAL POWER ACT

Part 101—Uniform system of accounts prescribed for Class A and Class B public utilities and licensees.
Part 102—Application of uniform system of accounts to State and municipal licensees.
Part 103—Steam road investments in road and equipment; application of ICC classification.
Part 104—Application of uniform system of accounts to Class C and Class D public utilities and licensees.
Part 116—Units of property for use in accounting for additions to and retirements of electric plant.
Part 120—Miscellaneous accounting orders.
Part 125—Preservation of records of public utilities and licensees.

SUBCHAPTER D—APPROVED FORMS, FEDERAL POWER ACT

Part 131—Forms.
Part 141—Statements and reports (schedules).

SUBCHAPTER E—REGULATIONS UNDER NATURAL GAS ACT

Part 153—Application for authorization to export or import natural gas.
Part 154—Filing of rate schedules.
Part 157—Applications for certificates of public convenience and necessity under section 7 of the Natural Gas Act as amended.
Part 158—Accounts, records, and memoranda.

SUBCHAPTER F—ACCOUNTS, NATURAL GAS ACT

Part 201—Uniform system of accounts for natural gas companies.
Part 204—Application of uniform system of accounts to Class C and Class D natural gas companies.
Part 216—Units of property for use in accounting for additions to and retirements of gas plant.
Part 221—Miscellaneous accounting orders.

SUBCHAPTER G—APPROVED FORMS, NATURAL GAS ACT

Part 250—Forms.
Part 260—Statements and reports (schedules).

Subchapter A—General Rules

PART 01—ORGANIZATION

Sec.
01.0 Introduction.
01.1 Nature and authority of Commission.
01.2 Functions.
01.3 Organization.
01.4 Delegations of final authority.
01.5 Offices of Commission; information; requests and submittals.
01.6 Duties of Commission staff groups.

AUTHORITY: §§ 01.0 to 01.6, inclusive, issued under sec. 309, 49 Stat. 858, sec. 16, 52 Stat. 830, sec. 3, 60 Stat. 238; 16 U. S. C. 825h, 15 U. S. C. 717o; 5 U. S. C. Sup., 1002.

§ 01.0 *Introduction.* This part describes the central and field organization of the Federal Power Commission, including delegations of final authority and the established places at which, and methods whereby, the public may secure information or make submittals or requests.

§ 01.1 *Nature and authority of Commission.* (a) The Commission is an independent agency composed of five commissioners, nominated by the President and confirmed by the Senate, one of whom is chairman and principal executive officer of the Commission.

(b) The Commission is charged with the administration and enforcement of the provisions of the Federal Power Act and the Natural Gas Act, and the duties delegated to it under the Flood Control Acts of 1938, 1939, 1941, 1944, and 1946, the River and Harbor Acts of 1945 and 1946, the Bonneville Act, Tennessee Valley Authority Act, Fort Peck Act, Boulder Canyon Project Act, the Acts of 1928 and 1929 relating to the Fort Apache, White Mountain, and Flathead Indian Reservations.

(c) The Commission is also charged with certain duties under Executive Order 8202 (3 CFR, Cum. Supp.) concerning the transmission of electric energy between the United States and foreign countries and the exportation and importation of natural gas from and into the United States.

§ 01.2 *Functions.* The principal functions of the Commission are:

(a) The licensing of water power projects on waters over which Congress has jurisdiction, or on lands of the United States, or at Government dams.

(b) The regulation of the transmission and sale for resale of electric energy in interstate commerce, and of the accounts, rates, certain security issues, dispositions of properties, mergers and consolidations, depreciation practices, and interconnection and coordination of facilities of electric public utilities; and the compilation and publication of statistical and other information concerning the electric utility industry in the United States.

(c) The regulation of the transportation and sale for resale of natural gas in interstate commerce, including the issuance of certificates of public convenience and necessity for the construction and operation of facilities, and the regulation of the accounts, rates, and depreciation practices of natural-gas companies and the compilation and publication of statistical and other information concerning the natural gas industry in the United States.

(d) The making of surveys and studies on the comprehensive development of river basins for hydroelectric and other purposes; and the recommendation of hydroelectric power installations in certain Federal power projects.

(e) The approval of rates, accounts, and related matters for certain Federal hydroelectric power projects, including those under the control of the War Department.

§ 01.3 *Organization.* The staff of the Commission is organized into the following groups, all of which report directly to the Commission.

(a) The Office of the Secretary; the Bureau of Power; the Bureau of Accounts, Finance and Rates; the Bureau of Law; the Division of Examiners; the Publications Division; the Office of the Chief Engineer; the Budget and Finance Division; and the Personnel and Administrative Services Division.

(b) The Natural Gas Investigation (Docket No. G-580), which is being conducted by a separate staff unit under a Special Assistant to the Commission, and

which is expected to be concluded by June 30, 1948.

§ 01.4 *Delegations of final authority.* The Commission has authorized:

(a) Except as otherwise expressly provided in the Commission's rules and regulations, the Secretary, or in his absence, the Acting Secretary, to receive and pass upon petitions, motions, or requests of electric public utilities, licensees, natural gas companies and other persons for extensions of time for filing required reports, data and information, and for extensions of time for doing other acts required or allowed to be done at or within a specified time by any rule, regulation, license, permit, certificate, or order of the Commission, not to exceed in any event an extension of 60 days beyond the time or period originally prescribed.

(b) The Secretary, or in his absence, the Acting Secretary, to schedule hearings and issue notices thereof.

(c) The Secretary, or in his absence, the Acting Secretary, to accept service of process upon behalf of the Commission.

(d) The Chief of the Bureau of Power to interpret schedules of power system statements of electric utilities (Forms No. 12, etc.) and to obtain supplemental information required to assure complete and adequate statements; and Regional Engineers to grant 30-day extensions of time for filing such statements.

(e) The Chief of the Bureau of Accounts, Finance and Rates to issue interpretations of the Uniform Systems of Accounts for Public Utilities, Licensees, and Natural Gas Companies; to suspend the requirements of Account 901—Charges by Associated Companies; Clearing, of those systems; to interpret schedules of annual reports of electric public utilities, licensees, and natural gas companies (Forms No. 1, 2, etc.) and obtain supplemental information required to assure complete and adequate reports.

(f) The chief examiner and the examiners designated to preside at hearings, to exercise the powers and functions stated and enumerated for presiding officers in the Commission's rules and regulations, particularly its rules of practice and procedure.

§ 01.5 *Offices of Commission; information; requests and submittals.* (a) The principal office of the Commission is located in the Hurley-Wright Building, 1800 Pennsylvania Avenue NW., Washington 25, D. C. Regional offices of the Bureau of Power are maintained in Atlanta, Chicago, Fort Worth, New York, and San Francisco and a section of the Division of Original Cost of the Bureau of Accounts, Finance and Rates in San Francisco, as described below.

(b) Official information concerning any matter pending before, or action taken by, the Commission may be secured by written or personal request to the Secretary.

(c) Information concerning matters assigned to the Regional Offices may be obtained by written or personal request and certain submittals may be made thereto as provided below.

(d) All formal requests or submittals to the Commission should be addressed the Secretary pursuant to § 1.2 (c) of this chapter.

(e) The types of official records in the files of the Commission, and their availability to the public, are described more particularly in § 1.36 of this chapter.

§ 01.6 *Duties of Commission staff groups.* The duties of the various groups into which the staff of the Commission is organized are described as follows:

(a) *The Office of the Secretary.* The Office of the Secretary, under the direction of the Secretary, receives, records, assigns, and distributes all matters filed with and brought before the Commission for action. In addition to the duties specified in § 01.4 (a) through (c) above, the Secretary serves the orders, rules, regulations, and notices of Commission action; acts as official liaison officer in contacts between the Commission and the public, parties to proceedings, and public officials. The Office of the Secretary includes a public reference section where official dockets and records are maintained, available for public inspection.

(b) *The Bureau of Power.* The Bureau of Power under the direction of the Chief of the Bureau, performs the engineering phases of the licensed project, electrical, river basin, and projects cost work of the Commission. The duties of the Chief include those specified in § 01.4 (d). The Bureau is composed of four functional divisions, the work of which is described as follows:

(1) *The Licensed Projects Division.* The Licensed Projects Division studies and reports on declarations of intentions, applications for preliminary permits and for licenses for water power projects, and related matters; inspects and reports on the construction, operation, and maintenance of such projects; investigates and reports on unlicensed water power developments; studies and reports on applications for restoration of or rights-of-way over power site lands.

(2) *The Electrical Resources and Requirements Division.* The Electrical Resources and Requirements Division studies and reports on power markets, adequacy of power supply, interconnection and coordination of power systems, electrical system planning and related matters; collects and checks power system statements submitted by electric utilities; investigates and reports on the engineering features of applications for the approval of security issues, consolidations, mergers, acquisitions, and property disposals of utilities subject to the jurisdiction of the Commission and the jurisdictional status of electric utility systems; makes electrical studies in connection with Commission approval of rate filings for Federal hydroelectric power projects.

(3) *The River Basins Division.* The River Basins Division studies and reports on the comprehensive utilization of river basins for development of hydroelectric power alone and in connection with flood control, navigation, irrigation, and other beneficial purposes; makes investigations and reports as bases for recommendations to other Federal agencies on provisions for hydroelectric power developments at proposed multiple-purpose projects; and makes hydroelectric studies in connection with the approval of rate filings for Federal power projects.

(4) *The Projects Cost Division.* The Projects Cost Division develops and analyzes detailed factual basic cost data covering the construction, maintenance, and operation of water power plants, fuel plants, and transmission facilities; develops and maintains current detailed costs for use of other groups, including Regional Offices, of the Bureau in the performance of their respective functions; and provides consulting service to other staff groups of the Commission in highly technical cost matters.

(5) *Regional Offices.* Five Regional Offices are operated as part of the Bureau of Power, under the general direction of the Chief of the Bureau. Their locations and the territories they serve are:

(i) Atlanta Regional Office, 417 Grant Building, Atlanta 3, Georgia: Alabama, Florida, Georgia, Kentucky, western half of Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

(ii) Chicago Regional Office, U. S. Custom House, 610 South Canal Street, Chicago 1, Illinois: Illinois, Indiana, Iowa, Michigan, Minnesota, part of Missouri, North Dakota, South Dakota, Nebraska, and Wisconsin.

(iii) Fort Worth Regional Office, Seventh and Lamar Streets, Fort Worth 2, Texas: Arkansas, Colorado, Kansas, Louisiana, parts of Mississippi and Missouri, New Mexico, Oklahoma, Texas, and Wyoming.

(iv) New York Regional Office, Murray-Park Building, 11 Park Place, New York 7, N. Y.: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and West Virginia.

(v) San Francisco Regional Office, Room 411, Custom House, 555 Battery Street, San Francisco 11, California: Arizona, California, Idaho, Montana, Nevada, Oregon, Utah, and Washington.

Each Regional Office is under the direction of a Regional Engineer, who is responsible for the activities of the Bureau within the particular territory, including cooperation with other governmental agencies in those activities. He is also responsible for the duties specified in § 01.4 (d).

The Regional Office activities include the investigation of proposed multiple-purpose river basin projects; assisting applicants in complying with requirements for preliminary permits and licenses; field supervision of licensed projects; receipt and checking of annual power system statements submitted by electric utilities; power market surveys; reports on power requirements and supply, interconnection and coordination of electric utility systems, and regional power pools; investigation and interruptions to electric service; and representation of the Commission on field committees.

(c) *The Bureau of Accounts, Finance and Rates.* The Bureau of Accounts, Finance and Rates, under the direction of the Chief of the Bureau, performs the accounting, original cost, finance, statistical, rate, and gas certificate phases of the Commission work. The duties of

the Chief include those specified in § 01.4 (e). The Bureau is composed of five divisions, the work of which is described as follows:

(1) *The Division of Accounts.* The Division of Accounts performs all work relating to the accounting practices of electric public utilities, licensees, and natural gas companies, with the exception of reviewing reclassification and original cost studies of electric public utilities and natural gas companies and claimed net investment in licensed projects; prepares, reviews, and interprets the Uniform Systems of Accounts for Public Utilities, Licensees, and Natural Gas Companies; makes accounting studies and investigations in rate cases; makes depreciation studies; prepares, reviews, and interprets the annual financial reports prescribed by the Commission; and makes special accounting studies as ordered by the Commission.

(2) *The Division of Original Cost.* The Division of Original Cost reviews, investigates, and reports on the reclassification and original cost studies of electric public utilities and natural gas companies and the disposition of related accounting adjustments; and reviews, investigates, and reports on claimed net investment in licensed projects and the disposition of related accounting adjustments. A section of the Division of Original Cost, located in the San Francisco Regional Office described above, audits and reports on the statements of claimed net investment in licensed projects in the western United States.

(3) *The Division of Finance and Statistics.* The Division of Finance and Statistics analyzes and reports on matters relating to electric utility finance, rate of return, security issues, sales and mergers of electric public utility properties; gathers and publishes financial, rate, cost, production, and other statistical information relating to the electric and natural gas industries.

(4) *The Division of Rates.* The Division of Rates investigates the operations, service lives of property, natural gas reserves, and makes cost allocation studies in rates cases involving electric public utilities, licensees, and natural gas companies; analyzes, reports on and makes recommendations regarding the rate schedules filed by electric public utilities, natural gas companies, and certain Federal hydroelectric power projects, including those under the control of the War Department.

(5) *The Division of Gas Certificates.* The Division of Gas Certificates handles matters relating to applications by natural gas companies and others for certificates of public convenience and necessity and the determination of service areas, the exportation and importation of natural gas, and the jurisdictional status of natural gas companies.

(d) *The Bureau of Law.* The Bureau of Law, under the direction of the General Counsel, performs the legal work related to the activities of the Commission. The Bureau is composed of four divisions, the work of which is described as follows:

(1) *The Electric Power Division.* The Electric Power Division performs the legal work under the Federal Power Act and the duties delegated to the Commission under the Bonneville Act, Tennessee Valley Authority Act, Fort Peck Act, and the other authorizations specified in §§ 01.1 (b) and (c), except those matters handled by the Hydroelectric Projects Division.

(2) *The Natural Gas Division.* The Natural Gas Division performs the legal work under the Natural Gas Act and the other authorizations conferring duties or jurisdiction upon the Commission with respect to natural gas.

(3) *The Hydroelectric Projects Division.* The Hydroelectric Projects Division performs the legal work under Part I of the Federal Power Act and under the duties delegated to the Commission under the Flood Control Acts and the River and Harbor Acts specified in § 01.1 (b) (other than the determination of net investment in licensed projects, rate and service matters, and security issues of licensees under Part I of the Federal Power Act and rate matters under the Flood Control Act of 1944, which are handled by the Electric Power Division).

(4) *The Interpretative and Research Division.* The Interpretative and Research Division prepares legal interpretations and conducts legal research for the General Counsel and the Bureau generally; assists in the preparation of briefs, regulations, and reports on proposed legislation.

(e) *The Division of Examiners.* The Division of Examiners is under the direction of the Chief Examiner. Examiners, when duly designated, preside at prehearing conferences and make recommendations as to stipulations reached therein by counsel; preside at public hearings, and rule on the admission of evidence and all procedural questions arising in the course of such hearings; hear oral arguments; consider briefs; report to the Commission on the cases heard, and make initial or recommended decisions supported by findings of fact and conclusions of law. When serving as presiding officers, Examiners may exercise the functions specified in § 01.4 (f).

(f) *The Publications Division.* The Publications Division, under the direction of a Special Assistant to the Commission, edits Commission publications and handles their sale and other distribution; prepares and distributes general information concerning the activities of the Commission; and assists the Commission in contacts with the public.

(g) *The Office of the Chief Engineer.* The Office of the Chief Engineer, under the direction of the Chief Engineer, advises the Commission on special engineering matters, including economic studies and reports on the allocation of costs of multiple-purpose water control projects, and advises with the Bureau of Law on special engineering matters in connection with litigation relating to water power projects.

(h) *The Budget and Finance Division.* The Budget and Finance Division, under the direction of the Chief of the Division, handles all budget, fiscal, and related matters of the Commission; solicits bids, awards contracts, and purchases supplies, equipment and other materials; assists the Commission in contacts with the Bureau of the Budget, the Comptroller General, and the Appropriation Committees of Congress.

(i) *The Personnel and Administrative Services Division.* The Personnel and Administrative Services Division, under the direction of the Chief of the Division, performs all personnel functions for the Commission, including recruitment; and all administrative services, including the preparation of illustrative and duplicative material for the other staff groups of the Commission.

PART 02—COURSE AND METHOD OF OPERATION

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AUTHORITY: §§ 02.0 to 02.81, inclusive, issued under sec. 309, 49 Stat. 858, sec. 16, 52 Stat. 830, sec. 3, 60 Stat. 238; 16 U. S. C. 825h, 15 U. S. C. 717o, 5 U. S. C. Sup. 1002.

§ 02.0 *Introduction.* (a) This part indicates the general course and method by which the public functions of the Commission are channeled and determined. Functions under Part I of the Federal Power Act, relating principally to the conservation of water power resources and the licensing of water power projects, are treated first; next, those under Parts II and III of the act, relating principally to the regulation of the transmission and sale for resale of electric energy in interstate commerce, and of public utilities engaged therein; followed by those under the Natural Gas Act, relating principally to the regulation of the transportation and sale for resale of natural gas in interstate commerce, and of natural-gas companies engaged therein. Functions under other authorizations are treated thereafter. Internal management functions within the Commission or the Federal Government are not included. References are given to the pertinent statutory provisions and other authorities under which the Commission acts. References are also given to the rules, regulations, and orders (published under this chapter and available in the FEDERAL REGISTER and the Code of Federal Regulations and the supplements thereto), showing the nature and requirements of all formal and informal procedures available, and forms and instructions as to the scope and contents of all papers, reports, and examinations.

(b) Appearance and practice before the Commissioners are subject to the provisions of § 1.4 of this chapter. All applications, complaints, declarations, petitions, pleadings, protests, reports, and other documents addressed to the Commission are received in the Office of the Secretary pursuant to § 1.14 of this chapter. The requirements for all such papers, and for notice and service thereof, are set forth in the pertinent rules. The Secretary assigns such material to the appropriate Bureaus for study and recommendation to the Commission, in accordance with the description of functions in Part 01 of this chapter.

(c) Whenever further information is required by the Commission or the staff, it may be sought by correspondence, field investigation, or hearing. Intervention in proceedings before the Commission is provided for by § 1.8 of this chapter.

(d) In any proceeding, a party may request a conference for the submission and consideration of facts, arguments, offers of settlement, or proposals of adjustment where time, the nature of the proceeding, and the public interest permit.

(e) Where no hearing is held, the Commission acts on the basis of the material filed and the staff studies and recommendations thereon. (See also § 1.32 of this chapter.) If a hearing is held under the Federal Power Act, the procedure described in § 02.39 is followed; if under the Natural Gas Act, the procedure described in § 02.69 is followed. Whether or not a hearing has been held, an application may be made for rehearing under the Federal Power Act in the manner described in § 02.42, or under the Natural Gas Act in the manner described in § 02.72.

FUNCTIONS UNDER PART I OF THE FEDERAL POWER ACT

§ 02.1 *Investigations.* (a) Investigations under section 4 (a) of the act concerning water power resources and their utilization, are initiated by the Commission upon its own motion or request of another governmental agency. The staff work is performed by the Bureau of Power, with the participation of the Bureau of Law on the legal aspects thereof. Such investigations may be conducted in cooperation with other governmental agencies. After notice, a hearing may be held (see § 02.0).

(b) Investigations pursuant to section 4 (g) of the act to determine Federal jurisdiction over water power projects which may require authorization under the act, are initiated by the Commission upon its own motion, request of another Federal agency, or complaint. The staff work is performed by the Bureau of Power, with the participation of the Bureau of Law on the legal aspects thereof. Whenever it appears from such investigation that a license is required, the owner of the project may be so informed by the Secretary. If an application for license is not filed, an order to show cause therefor may be issued and a hearing held (see § 02.0).

§ 02.2 *Declarations of intention.* The requirements for declarations of intention to construct a dam or other project works, pursuant to section 23 (b) of the act, are stated in § 24.1 of this chapter. Notice of such declarations are given to interested public officials and State agencies. The declarations are referred to the Bureau of Power and to the Bureau of Law for studies to determine whether the interests of interstate or foreign commerce would be affected by the proposed construction. After notice, a hearing may be held (see § 02.0).

§ 02.3 *Preliminary permits.* (a) The requirements for applications for preliminary permits to maintain priority of applications for license, under section 4 (f) of the act, are stated in §§ 4.80, et seq. and 131.10 of this chapter. Such applications are referred to the Bureau of Power and the Bureau of Law for studies and recommendations. Notice of an application filed by any person, association, or corporation is published in local newspapers in the vicinity of the proposed project and is given to states and municipalities likely to be affected, pursuant to section 4 (f) of the act. After notice, a hearing may be held (see § 02.0). If a permit is authorized, it is issued in the manner provided in § 4.85 of this chapter.

(b) Applications for amendment of preliminary permits are governed by the provisions of § 4.84 of this chapter and are processed in the same manner as initial applications, except that notice is given only of applications involving substantial changes in the proposed plan of development.

(c) Proceedings for the cancellation of a preliminary permit may be initiated by a complaint or by Commission order served on the permittee and interested State agencies and published in the FEDERAL REGISTER. Such order is based on staff studies and recommendations by the Bureau of Power and the Bureau of Law. After notice, a hearing may be held (see § 02.0).

§ 02.4 *Licenses.* (a) The following applications are governed by the requirements of the cited sections of this chapter.

(1) Applications for license for proposed major projects (§§ 4.40, et seq. and 131.2 of this chapter).

(2) Applications for license for constructed major projects (§§ 4.50 et seq. and 131.2 of this chapter).

(3) Applications for amendment of licenses for major projects (§§ 5.1, et seq. and 131.30 of this chapter).

(4) Applications for renewal of licenses for major projects under licenses which expire on specified dates (§ 16.1 of this chapter).

(5) Applications for surrender of licenses for major projects (§§ 6.1, et seq.). Such applications are processed in the manner stated in § 02.3 (a), except those for amendment or surrender of licenses may be acted on by the Commission after thirty (30) days' public notice published in the FEDERAL REGISTER and, if deemed necessary, in local newspapers.

(b) The following applications are processed in the manner stated in § 02.3 (a), except for notice, according to the requirements of the cited sections:

(1) Applications for licenses for minor projects (§§ 4.60 et seq. and 131.6 of this chapter).

(2) Applications for licenses for transmission lines only (§§ 4.70 et seq. and 131.5 of this chapter).

(3) Applications for extension of time for commencing or completing construction of a project (§§ 5.3 and 131.30 of this chapter).

(4) Applications for amendment of licenses for minor projects or transmission lines only (§§ 5.1 et seq. and 131.30 of this chapter).

(5) Application for approval of transfer of license or lease of project property (§§ 9.1 et seq. and 131.20 of this chapter).

(6) Applications for renewal of licenses for minor projects or transmission lines only under license which expires on a specified date (§ 16.1 of this chapter).

(7) Applications for approval of plans and exhibits (§§ 5.2 and 131.30 of this chapter).

(8) Applications for surrender of licenses for minor projects or transmission lines only (§§ 6.1 et seq. of this chapter).

(9) Applications for annual licenses (§ 16.1 of this chapter).

(10) Applications concerning a minor part only of a complete project except for transmission lines only (Regulations for similar applications for major projects are applicable).

(c) *Termination of license.* Proceedings for the termination of a license pursuant to section 13 of the act may be initiated by a complaint or by Commission order served on the licensee and interested State agencies and published in the FEDERAL REGISTER. Such order is based on staff studies and recommendations by the Bureau of Power and the Bureau of Law. After notice, a hearing may be held (see § 02.0).

§ 02.5 *Annual charges.* Petitions for adjustment of annual charges are referred to the Bureau of Power for study and recommendation. Petitions by State or municipal licensees for exemption from payment of such charges are similarly referred to the Bureau of Accounts, Finance and Rates. Petitions of both types are referred to the Bureau of Law for legal study and recommendation. After notice, a hearing may be held (see § 02.0).

§ 02.6 *Cost or fair value determinations.* Proceedings for the determination of actual legitimate original cost or fair value of a licensed project are initiated by the filing of an initial statement of cost or value (Form No. 6) pursuant to the requirements of the license and subject to the requirements of §§ 4.1, 4.10, or 4.20 of this chapter, respectively. Such statement is referred to the Bureau of Accounts, Finance and Rates, for audit and report, with participation by the Bureau of Law on the legal aspects thereof. Such report is served as provided in §§ 4.4, 4.12, or 4.22 of this chapter. Protest thereto may be filed as provided in §§ 4.5, 4.13, or 4.23 of this chapter. If a protest is filed, a hearing is held after notice (see § 02.0). In the absence of protest, the Commission makes the determination upon the basis of the staff report and recommendations. The licensee is required by §§ 4.7, 4.14, or 4.25 of this chapter to file within 90 days a statement on Form No. 7 showing its compliance with the Commission determination.

§ 02.7 *Determinations of net investment.* Proceedings for the determination of net investment in a licensed project may be initiated by petition or by Commission order served on the licensee and interested State agencies and published in the FEDERAL REGISTER. Such order is based upon staff studies and recommendations by the Bureau of Accounts, Finance and Rates, with the participation of the Bureau of Law on the legal aspects thereof. After notice, a hearing may be held (see § 02.0).

§ 02.8 *Headwater benefits.* Commission action for the determination of headwater benefits under section 10 (f) of the act may be initiated by petition containing such information as the Secretary will specify upon written request. Answers thereto shall also contain such information as the Secretary will specify. Such petitions and answers are referred to the Bureau of Power and the Bureau of Law for studies and recommendations. After notice, a hearing may be held (see § 02.0).

§ 02.9 *Federal acquisition of licensed projects.* The Commission determination of net investment required for Federal acquisition of a licensed project under section 14 of the act follows the procedure described in § 02.7. Proceedings for the determination of severance damages in connection therewith are similarly initiated and conducted. Information concerning the procedures to be followed for determination of just and fair compensation for a licensed project taken over by the United States under section 16 of the act may be secured by written request to the Secretary.

§ 02.10 *Rates, services, securities—* (a) *Rate schedules.* The requirements applicable to the filing of rate schedules by licensees are stated in § 35.20 of this chapter. The functions and procedures followed in connection therewith are as stated in § 02.26.

(b) *Services, etc.* Proceedings to determine the services to be rendered by licensees, and rates and charges of payment therefor, under sections 19 and 20 of the act are as described in §§ 02.27 and 02.29.

(c) *Security issues.* Proceedings for obtaining Commission authorization for the issuance of securities by licensees pursuant to section 19 and 20 of the act are subject to the requirements of Part 20 of this chapter. The functions and procedures followed in connection therewith are as stated in § 02.25.

§ 02.11 *Restoration of Government lands.* The requirements for applications for restoration of Government lands withdrawn for power purposes under section 24 of the act are stated in Part 25 of this chapter. Such applications are referred to the Bureau of Power and to the Bureau of Law for studies and recommendations. After notice, a hearing may be held (see § 02.0). In the event of a favorable determination, the Commission notifies the Secretary of the Interior in accordance with section 24 of the act.

§ 02.12 *Field inspections and revocation of permits and licenses by court action.* Compliance with the terms of licenses and with the approved plans in construction, operation, and maintenance of licensed projects, and compliance with the terms of preliminary permits, is enforced by periodic inspections by the Bureau of Power, principally through the Regional Offices, or through designated Federal agencies. Apparent violations of such terms or plans, or of provisions of the act and regulations of the Commission, are reported to the Commission either by the staff or other agency or by complaint. Reports and recommendations thereon by the Bureau of Power and the Bureau of Law are submitted to the Commission and attempts made through correspondence or field investigation to secure compliance by the permittees or licensees. If satisfactory adjustments are not made, show cause orders are issued and served upon the permittees or licensees and interested State agencies and published in the FEDERAL REGISTER. After notice, hearings may be held (see § 02.0) and the matter referred to the Attorney General for institution of court proceedings pursuant to sections 13 and 26 of the act.

§ 02.13 *Approved forms, etc.* (a) The following is a list of approved forms, statements, and reports under Part I of the act, descriptions of which have been published in Parts 131 and 141 of this chapter.

(1) Certificate of service (18 CFR, 131.1).
(2) Application for license for major project or minor part thereof (18 CFR, 131.2).
(3) Certificate of organization (18 CFR, 131.3).
(4) Certificate of exhibits (18 CFR, 131.4).
(5) Application for license for transmission lines only (18 CFR, 131.5).
(6) Application for license for minor project having installed capacity of 100 horsepower or less (18 CFR, 131.6).
(7) Application for preliminary permit (18 CFR, 131.10).
(8) Application for approval of transfer of license (18 CFR, 131.20).
(9) Application for amendment of license (18 CFR, 131.30).
(10) Application for exemption from payment of annual charges (18 CFR, 131.70).
(11) Form No. 1D. Annual report for licensees using special condensed accounting rules (18 CFR, 141.5).
(12) Form No. 1E. Annual report for Class I licenses (18 CFR, 141.6).
(13) Form No. 6. Initial statement showing actual legitimate original cost of project (18 CFR, 141.11).
(14) Form No. 7. Statement of actual legitimate original cost of construction (18 CFR, 141.12).
(15) Form No. 8. Report of claimed increases and decreases in licensed project plant accounts (18 CFR, 141.13).

(b) The forms listed in paragraph (a) (1) to (9) inclusive of this section, are published in the regulations, copies of which regulations may be obtained from the Secretary upon written request. Copies of statements and reports listed in paragraph (a) (10) to (15) inclusive, of this section, may be obtained from the Publications Division.

§ 02.14 *Other matters.* Information concerning any function, form, or procedure of the Commission under Part I of the act, not described in §§ 02.1 to 02.13, inclusive, may be secured by written request to the Secretary.

FUNCTIONS UNDER PARTS II AND III OF THE FEDERAL POWER ACT

§ 02.21 *Determination of jurisdictional status.* In the course of the administration and enforcement of the requirements of Parts II and III of the act, the staff classifies as to jurisdictional status under the terms of section 201 of the act, persons owning or operating electric power facilities. These classifications, which are tentative and not binding on the persons or the Commission, are made on the basis of data reported to the Commission by such persons, supplemented when necessary by staff investigation of the facilities and their operations. The technical phases of such work are in general performed by the Bureau of Power except that, in certain proceedings in which such phases are closely related to those for which

the Bureau of Accounts, Finance and Rates is responsible, the latter may perform the technical work with the cooperation of the Bureau of Power. In all instances, the Bureau of Law participates in the legal aspects of the work. If any person involved disagrees with the classification and refuses to comply with the requirements of the act in accordance therewith, a formal proceeding may be initiated to resolve the questions presented. The proceeding is initiated by Commission order served upon such person and interested State agencies and published in the FEDERAL REGISTER. After notice, a hearing is held (see § 02.0).

§ 02.22 *Interconnection and coordination of facilities.* (a) For the establishment of regional districts for the voluntary interconnection and coordination of electric facilities pursuant to section 202 (a) of the act, the Bureau of Power analyzes data submitted by the owners and operators of the facilities and makes any necessary field studies. Before establishing any such districts and fixing or modifying the boundaries thereof, the Commission notifies the State commissions affected and affords them opportunity to present their views and recommendations. Information concerning the manner of submitting such applications may be secured upon written request to the Secretary.

(b) The requirements for applications for orders directing the establishment of physical connection of transmission facilities or sale or exchange of electric energy pursuant to section 202 (b) of the act, are stated in § 32.1 of this chapter. Such applications are referred to the Bureau of Power and the Bureau of Law for studies and recommendations. Notice is given to each State commission and public utility affected and published in the FEDERAL REGISTER. After notice, a hearing may be held (see § 02.0).

(c) The authority of the Commission under section 202 (c) of the act to require emergency connections of facilities and generation, delivery, interchange, or transmission of electric energy may be exercised upon its own motion or upon complaint, with or without notice, hearing or report. Staff studies and recommendations are made by the Bureau of Power and the Bureau of Law. If the parties fail to agree upon the terms or any arrangements between them in carrying out a Commission order in such a proceeding, either party may file an application or the Commission may by order served upon the parties and interested State agencies and published in the FEDERAL REGISTER, initiate a proceeding to prescribe terms pursuant to the last sentence of section 202 (c) of the act. A hearing is held after notice (see § 02.0).

(d) Any person other than a "public utility" within the meaning of that term as used in the act, making a temporary connection during an emergency without thereby becoming subject to the jurisdiction of the Commission, is required to report in accordance with § 32.21 of this chapter.

(e) The requirements for applications for approval of permanent connections of facilities for emergency use only, under the last provision of section 202 (d) of the act, are stated in §§ 32.22 and 32.24 of this chapter. Such applications are referred to the Bureau of Power and the Bureau of Law for studies and recommendations. A hearing may be held after notice (see § 02.0).

§ 02.23 *Exportation of electric energy.* (a) The requirements for applications for authorization to transmit electric energy from the United States to a foreign country pursuant to section 202 (e) of the act, are stated in § 32.20, et seq. of this chapter. In addition, the requirements for Presidential Permits under Executive Order 8202, (3 CFR, Cum. Supp.) described in § 02.81, must be satisfied. Staff studies and recommendations are made by the Bureau of Power and the Bureau of Law. After notice, a hearing may be held (see § 02.0). Such authorizations are issued simultaneously with the requisite Presidential Permits. The requirements for filing rate schedules and pertinent reports under such authorizations are stated in §§ 32.38 and 35.15 of this chapter.

(b) Proceedings for supplemental orders under the last provision of section 202 (e) of the act may be initiated by application or by Commission order served on the parties and interested State agencies and published in the FEDERAL REGISTER. Staff studies and recommendations are made by the Bureau of Power and the Bureau of Law. After notice, a hearing may be held (see § 02.0).

§ 02.24 *Disposition of property, consolidation, purchase of securities.* (a) The requirements for applications for approval of disposition of property, consolidation of facilities, or purchase of securities by public utilities pursuant to section 203 of the act, are stated in Part 33 of this chapter. Written notices of such applications are given to the Governor and State commission of each State affected and published in the FEDERAL REGISTER. The applications are referred to the Bureau of Accounts, Finance and Rates, the Bureau of Power, and the Bureau of Law for studies and recommendations. After notice, a hearing may be held (see § 02.0).

(b) Proceedings for supplemental orders under the last provision of section 203 (b) of the act may be initiated by application or by Commission order served on the parties and interested State agencies and published in the FEDERAL REGISTER. Staff studies and recommendations are made by the Bureau of Accounts, Finance and Rates, the Bureau of Power, and the Bureau of Law. After notice, a hearing may be held (see § 02.0).

§ 02.25 *Issuance of securities; assumption of liabilities.* (a) The requirements for applications for authorizations to issue securities or to assume liabilities, pursuant to section 204 of the act, are stated in Part 34 of this chapter. Written notices of such applications are given to the Governor and the State commission of each State affected and published in the FEDERAL REGISTER. Such applications are referred to the Bureau of Accounts, Finance and Rate, the Bureau of Power, and the Bureau of Law for studies and recommendations. After notice, a hearing may be held (see § 02.0).

(b) Proceedings for supplemental orders under section 204 (b) of the act may be initiated by application or by Commission order served on the parties and interested State agencies and published in the FEDERAL REGISTER. Staff studies and recommendations are made by the Bureau of Accounts, Finance and Rates and the Bureau of Law. After notice, a hearing may be held (see § 02.0).

(c) The requirements for reports of transactions under section 204 (e) of the act are specified in § § 34.8 and 131.50 of this chapter.

§ 02.26 *Rate schedules.* (a) The requirements for filing rate schedules and changes therein under section 205 of the act, are specified in Part 35 of this chapter. Such schedules and any accompanying requests for waiver of the 30-day provision are referred to the Bureau of Accounts, Finance and Rates for study and recommendation, with the participation of the Bureau of Law on the legal aspects thereof. Any complaint under section 205 (e) of the act and any answer thereto, are similarly referred. Upon such complaint or upon its own motion the Commission may suspend the operation of rate schedules proposing changes in existing schedules, after notice and a statement of reasons therefor. Staff studies and recommendations are made by the Bureau of Accounts, Finance and Rates and the Bureau of Law. After notice, a hearing is held pursuant to sections 205 (e) and 308 of the act (see also § 02.0).

(b) Further requirements for public utilities filing rate schedules under section 205 of the act are specified in §§ 35.5, et seq. and 131.51 of this chapter.

§ 02.27 *Fixing rates and charges.* Proceedings to determine just and reasonable rates, charges, etc. under section 206 (a) of the act are initiated by complaint or by Commission order served on the parties and interested State agencies and published in the FEDERAL REGISTER. Staff studies and recommendations in such proceedings are made by the Bureau of Accounts, Finance and Rates and by the Bureau of Law. After notice, a hearing is held (see § 02.0).

§ 02.28 *Cost of production and transmission.* Investigations under section 206 (b) of the act to determine the cost of production and transmission of electric energy, are initiated by request of a State commission or by Commission order served on the parties and interested State agencies and published in the FEDERAL REGISTER. Staff studies and recommendations are made by the Bureau of Accounts, Finance and Rates with the participation of the Bureau of Power on power supply and system operation, and of the Bureau of Law on the legal aspects involved. After notice, a hearing may be held (see § 02.0).

§ 02.29 *Furnishing adequate service.* Notice of complaints by State commissions pursuant to section 207 of the act, concerning the adequacy or sufficiency of interstate service rendered by a public utility, are given each State commission and public utility affected and published in the FEDERAL REGISTER. Such complaints and answers thereto are referred

to the Bureau of Power and the Bureau of Law for studies and recommendations. Where rate questions are involved, the complaints and answers are also referred to the Bureau of Accounts, Finance and Rates. After notice, a hearing may be held (see § 02.0).

§ 02.30 *Ascertainment of cost and depreciation.* Investigations to ascertain the actual legitimate cost of public utility properties and depreciation therein pursuant to section 208 (a) of the act, are made by the Bureau of Accounts, Finance and Rates, with the participation of the Bureau of Law on the legal aspects thereof. Such investigations are usually made in connection with rate proceedings under sections 205 and 206, or accounting proceedings under section 301 of the act, and frequently involve field studies of utility records and properties. After notice, a hearing may be held (see § 02.0).

§ 02.31 *Joint boards; cooperation with State commissions.* The procedures for the use of joint boards and cooperation with State commissions pursuant to section 209 of the act, are set forth in § 1.37 of this chapter.

§ 02.32 *Accounting.* The Uniform System of Accounts for Public Utilities and Licensees prescribed by the Commission pursuant to section 301 (a) of the act, is contained in Subchapter C of this chapter. Before prescribing any rules or requirements as to accounts, records, or memoranda, the Commission notifies interested State commissions and affords reasonable opportunity for presentation of their views, pursuant to section 302 (b) of the act. Studies and examinations of the accounting practices of public utilities and licensees are conducted by the Bureau of Accounts, Finance and Rates, with the participation of the Bureau of Law on the legal aspects thereof. The procedures for adjustment of accounts and reports are specified in Part 41 of this chapter. After notice, a hearing may be held (see § 02.0).

§ 02.33 *Depreciation.* (a) Rules, regulations, and forms of account for depreciation are set forth in the Uniform System of Accounts for Public Utilities and Licensees. Studies and recommendations concerning depreciation under section 302 (a) of the act are made by the Bureau of Accounts, Finance and Rates, with the participation of the Bureau of Law on the legal aspects thereof. Information concerning the procedures to be followed in fixing depreciation accounts and rates of depreciation under this section of the act may be secured upon written request to the Secretary.

(b) Before prescribing any rules or requirements as to depreciation, the Commission notifies interested State commissions and affords reasonable opportunity for presentation of their views, pursuant to section 302 (b) of the act.

§ 02.34 *Reports.* The reports and forms prescribed by the Commission pursuant to section 304 (a) and other sections of the act are listed in § 02.44.

§ 02.35 *Interlocking positions.* The requirements for applications for authority to hold interlocking positions pursuant to section 305 (b) of the act, are stated in Part 45 of this chapter. Such applications are referred to the Bureau of Power and the Bureau of Law for studies and recommendations. After notice, a hearing may be held (see § 02.2). Authorizations under this section of the act are subject to revocation after notice and opportunity for hearing, as described in § 45.6 of this chapter.

§ 02.36 *Complaints; answers.* The requirements for the submission of complaints pursuant to section 306 of the act, are stated in § 1.6 of this chapter, and for answers thereto in § 1.9 of this chapter. Action is taken thereon according to the subject matter, as described in the foregoing sections.

§ 02.37 *Investigations.* Investigations pursuant to section 307 (a) of the act are conducted by the bureau primarily concerned with the subject matter, with the Bureau of Law participating on the legal aspects thereof. After notice, hearings may be held (see § 02.0).

§ 02.38 *Subpenas; depositions.* The requirements for subpenas under section 307 (b) and for depositions under section 307 (d) of the act are stated in §§ 1.23 and 1.24, respectively, of this chapter.

§ 02.39 *Hearings.* Hearings are subject to the requirements of section 308 of the act and § 1.20 of this chapter. The time and place of hearings and the issues involved are stated in Commission orders served on the participants and interested State agencies and published in the FEDERAL REGISTER. A prehearing conference procedure is provided by § 1.18 of this chapter. Provisions are also made in the rules concerning expert witnesses, stipulations, evidence, presiding officers, copies of transcripts, motions, and time requirements. Evidence may be offered and cross-examination conducted by any party to the proceeding and by staff counsel. Testimony and exhibits are given and prepared, and other assistance rendered staff counsel by the technical staff as may be required. Appeals from rulings of presiding officers during the course of proceedings may be made to the Commission in accordance with § 1.28 of this chapter. Briefs and oral arguments before presiding officers, and proposed findings and orders, are subject to § 1.29 of this chapter. The presiding officer's report, exceptions thereto, briefs and oral arguments before the Commission, decisions by the Commission, and reopening of proceedings are governed by § 1.30, et seq. of this chapter.

§ 02.40 *Rules and regulations.* The requirements for petitions for rule making under section 309 of the act are stated in § 1.7 of this chapter. After notice, hearings may be held (see § 02.0). The rules of practice and procedure of the Commission are contained in Part 1 of this chapter.

§ 02.41 *Investigations relating to electric energy, etc.* Investigations relating to electric energy and other matters referred to in section 311 of the act are conducted in the manner described in § 02.37. The results of such investigations may be published by the Commission pursuant to section 312 of the act. Lists of titles and prices of such publications may be secured from the Publications Division.

§ 02.42 *Rehearings.* The requirements for applications for rehearings under section 313 (a) of the act are stated in § 1.34 of this chapter. Such applications may be filed with respect to any final Commission order, whether or not a hearing has previously been held in the matter.

§ 02.43 *Forfeitures.* On the basis of staff studies and recommendations, proceedings to fix the amount of forfeitures under section 315 (a) of the act are initiated by Commission order served on the parties and interested State agencies and published in the FEDERAL REGISTER. A hearing may be held (see § 02.0).

§ 02.44 *Approved forms, etc.* (a) The following is a list of approved forms, statements, and reports under the Federal Power Act, descriptions of which have been published in Parts 131 and 141 of this chapter.

(1) Certificate of Services (18 CFR, 131.1).
(2) Balance Sheet (18 CFR, 131.40).
(3) Classification of utility plant (18 CFR, 131.41).
(4) Comparative income statement (18 CFR, 131.42).
(5) Report of securities issued (18 CFR, 131.43).
(6) Certificate of notification (18 CFR, 131.50).
(7) Notice of succession in ownership or operation (18 CFR, 131.51).
(8) Certificate of concurrence (18 CFR, 131.52).
(9) Notice of cancellation (18 CFR, 131.53).
(10) Verification of application (18 CFR, 131.60).
(11) Form No. 1. Annual Report for electric utilities and licensees. Classes A and B (18 CFR, 141.1).
(12) Form No. 1A. Annual Report for electric utilities and licensees, Class C (18 CFR, 141.2).
(13) Form No. 1B. Annual Report for electric utilities and licensees, Class D (Privately Owned) (18 CFR, 141.3).
(14) Form No. 1C. Annual Report for electric utilities and licensees, Class D (Publicly Owned) (18 CFR, 141.4).
(15) Form No. 3. Typical net monthly bills (18 CFR, 141.21).
(16) Form No. 4. Monthly report of generation of electric energy consumption and stocks of fuel (multiple plant utilities) (18 CFR, 141.22).
(17) Form No. 4A. Monthly report of generation of electric energy consumption and stocks of fuel (single plant utilities) (18 CFR, 141.23).
(18) Form No. 4B. Monthly report of industrial generation of electric energy (18 CFR, 141.24).
(19) Form No. 5. Monthly statement of electric operating revenue and income (18 CFR, 141.25).
(20) Form No. 12. Power system statement for Class I and II systems (18 CFR, 141.51).
(21) Form No. 12A. Power system statement for Class III and IV systems (18 CFR, 141.52).
(22) Form No. 12B. Industrial electric generating capacity (Detailed Information) (18 CFR, 141.53).
(23) Form No. 12C. Industrial electric generating capacity (Limited Information) (18 CFR, 141.54).
(24) Form No. 12D. Power system statement for Class III and IV systems of less than

5,000,000 kwh energy for system (18 CFR, 141.55).

(25) Form No. 12E. Monthly load statement (18 CFR, 141.56).

(26) Form No. 12F. Power line and generating plant data (18 CFR, 141.57).

(27) Form No. 13. Summary for National Electric Rate Book (18 CFR, 141.26).

(28) Form No. Temp. 2-46. Directory of Electric (and Gas) Utilities (18 CFR, 141.27).

(b) The approved forms listed in paragraph (a) (1) to (10) inclusive, of this section, are published in the regulations, copies of which regulations may be obtained from the Secretary upon written request. Copies of statements and reports listed in paragraph (a) (11) to (28) inclusive, of this section, may be obtained from the Publications Division of the Commission.

§ 02.45 *Other matters.* Information concerning any function, form, or procedure of the Commission under Parts II and III of the act, not described in §§ 02.21 to 02.44, inclusive, may be secured upon written request to the Secretary.

FUNCTIONS UNDER THE NATURAL GAS ACT

§ 02.51 *Determination of jurisdictional status.* In the course of the administration and enforcement of the requirements of the Natural Gas Act, the staff classifies as to jurisdictional status under the terms of section 1 of the act, persons engaged in the transportation or sale of natural gas. These classifications, which are tentative and not binding on the persons or the Commission, are made on the basis of available information, including data reported to the Commission by such persons, supplemented when necessary by staff investigation. The technical phases of such work are performed by the Bureau of Accounts, Finance and Rates, and the legal phases by the Bureau of Law. If any person involved disagrees with the classification and refuses to comply with the requirements of the act in accordance therewith, a formal proceeding may be initiated to resolve the questions presented. The proceeding is initiated by Commission order served upon such person and interested State agencies, and published in the FEDERAL REGISTER. After notice, a hearing is held (see § 02.0).

§ 02.52 *Exportation or importation of natural gas.* (a) The requirements for applications for authorization to export or import natural gas from or to the United States, pursuant to section 3 of the act, are stated in § 153.1, et seq. of this chapter. In addition, the requirements for Presidential Permits under Executive Order 8202, described in § 02.81, and for certificates of public convenience and necessity pursuant to section 7 of the act as amended, described in § 02.59, must be satisfied. Staff studies and recommendations are made by the Bureau of Accounts, Finance and Rates and the Bureau of Law. Notice is given to each State commission and gas company affected and published in the FEDERAL REGISTER. A hearing may be held (see § 02.0). Such authorizations are issued simultaneously with the requisite Presidential Permits. The requirements for filing rate schedules and pertinent reports under such authorizations are stated in § 153.8 of this chapter.

(b) Proceedings for supplemental orders under the last provision of section 3 of the act may be initiated by application or by Commission order served on the parties and interested State agencies and published in the FEDERAL REGISTER. Staff studies and recommendations are made by the Bureau of Accounts, Finance and Rates and the Bureau of Law. After notice, a hearing may be held (see § 02.0).

§ 02.53 *Rate schedules.* (a) The requirements for filing rate schedules and changes therein under section 4 of the act are specified in Part 154 of this chapter. Such schedules and any accompanying requests for waiver of the 30-day provision, are referred to the Bureau of Accounts, Finance and Rates for study and recommendation, with the participation of the Bureau of Law on the legal aspects thereof. Any complaints under section 4(e) of the act and any answers thereto, are similarly referred. Upon such complaint or upon its own motion, the Commission may suspend the operation of rate schedules proposing changes in existing schedules, after notice and a statement of reasons therefor. Staff studies and recommendations are made by the Bureau of Accounts, Finance and Rates and the Bureau of Law. After notice, a hearing is held pursuant to sections 4 (e) and 15 of the act (see also § 02.0).

(b) Further requirements for natural gas companies filing rate schedules under section 4 of the act are specified in §§ 154.5, et seq. and 250.2, et seq., of this chapter.

§ 02.54 *Fixing rates and charges.* Proceedings to determine just and reasonable rates, charges, etc., under section 5 (a) of the act are initiated by complaint or by Commission order served on the parties and interested State agencies and published in the FEDERAL REGISTER. Staff studies and recommendations in such proceedings are made by the Bureau of Accounts, Finance and Rates, and by the Bureau of Law. After notice, a hearing is held (see § 02.0).

§ 02.55 *Cost of production and transportation.* Investigations under section 5 (b) of the act to determine the cost of production and transportation of natural gas, are initiated by request of a State commission or by Commission order served on the parties and interested State agencies and published in the FEDERAL REGISTER. Staff studies and recommendations are made by the Bureau of Accounts, Finance and Rates with the participation of the Bureau of Law on the legal aspects thereof. After notice, a hearing may be held (see § 02.0).

§ 02.56 *Ascertainment of cost and depreciation.* Investigations to ascertain the actual legitimate cost of the properties of natural gas companies and depreciation therein, pursuant to section 6 (a) of the act, are made by the Bureau of Accounts, Finance and Rates, with the participation of the Bureau of Law on the legal aspects thereof. Such investigations are usually made in connection with rate proceedings under sections 4 and 5, or accounting proceedings under section 8, of the act and frequently involve field studies of records and investigation of the properties of natural gas companies. After notice, a hearing may be held (see § 02.0).

§ 02.57 *Extension of facilities.* Action to require the extension or improvement of transportation facilities, the establishment of physical connection between facilities, and the sale of natural gas under section 7 (a) of the act, may be initiated by application or by the Commission upon its own motion. Information concerning the requisite contents of such applications may be secured upon written request to the Secretary. Notice is given to each company affected and interested State agencies, and published in the FEDERAL REGISTER. Staff studies and recommendations are made by the Bureau of Accounts, Finance and Rates and the Bureau of Law. After notice, a hearing may be held (see § 02.0).

§ 02.58 *Abandonment.* Information concerning the requirements of applications for approval of abandonment of facilities or service pursuant to section 7 (b) of the act may be secured upon written request to the Secretary. Notices of such applications are served upon the parties and interested State agencies and published in the FEDERAL REGISTER. The applications are referred to the Bureau of Accounts, Finance and Rates and the Bureau of Law for studies and recommendations. After notice, a hearing is held (see § 02.0).

§ 02.59 *Certificates.* The requirements for applications for certificates of public convenience and necessity authorizing the construction, extension, acquisition, or operation of facilities or the sale of natural gas under sections 7 (c) and 7 (e) of the act as amended, are stated in Part 157 of this chapter. Notice of the applications is given to the parties and interested State agencies, and published in the FEDERAL REGISTER. Such applications are referred to the Bureau of Accounts, Finance and Rates and to the Bureau of Law for studies and recommendations. After notice, a hearing is held (see § 02.0).

§ 02.60 *Service areas.* Information concerning the determination of service areas, pursuant to section 7 (f) of the act as amended, may be secured upon written request to the Secretary.

§ 02.61 *Accounting.* The Uniform System of Accounts for Natural Gas Companies, prescribed by the Commission pursuant to section 8 (a) of the act, is contained in Subchapter F of this chapter. Before prescribing any rules or requirements as to accounts, records, or memoranda, the Commission notifies interested State commissions and affords reasonable opportunity for presentation of their views, pursuant to section 9 (b) of the act. Studies and examinations of the accounting practices of natural gas companies are conducted by the Bureau of Accounts, Finance and Rates, with the participation of the Bureau of Law on the legal aspects thereof. The procedures for the adjustment of accounts and reports are specified in Part 158 of this chapter. After notice, a hearing may be held (see § 02.0).

§ 02.62 *Depreciation.* (a) Rules, regulations, and forms of account for depreciation are set forth in the Uniform System of Accounts for Natural Gas Companies. Studies and recommendations concerning depreciation under section 9 (a) of the act are made by the Bureau of Accounts, Finance and Rates, with the participation of the Bureau of Law on the legal aspects thereof. Information concerning the procedures to be followed in fixing depreciation accounts and rates of depreciation under this section of the act may be secured upon written request to the Secretary.

(b) Before prescribing any rules or requirements as to depreciation, the Commission notifies interested State commissions and affords reasonable opportunity for presentation of their views, pursuant to section 9 (b) of the act.

§ 02.63 *Reports.* The reports and forms prescribed by the Commission pursuant to section 10 (a) and other sections of the act are listed in § 02.73.

§ 02.64 *State compacts.* The information required under section 11 of the act concerning matters covered in any proposed State compact on natural gas is assembled and maintained by the Bureau of Accounts, Finance and Rates. Inquiries concerning such information may be made to the Secretary.

§ 02.65 *Complaints; answers.* The requirements for the submission of complaints pursuant to section 13 of the act are stated in § 1.6 of this chapter, and for answers thereto in § 1.9 of this chapter. Action is taken thereon according to the subject matter, as described in the foregoing sections.

§ 02.66 *Investigations.* Investigations pursuant to section 14 (a) of the act are conducted by the Bureau primarily concerned with the subject matter, with the Bureau of Law participating on the legal aspects thereof. After notice, hearings may be held (see § 02.0).

§ 02.67 *Adequacy of reserves.* Information concerning the manner of determination of the adequacy of gas reserves and other matters specified in section 14 (b) of the act, may be secured upon written request to the Secretary.

§ 02.68 *Subpenas; depositions.* The requirements for subpenas under section 14 (c), and for depositions under section 14 (e) of the act, are stated in §§ 1.23 and 1.24 respectively, of this chapter.

§ 02.69 *Hearings.* Hearings are subject to the requirements of section 15 of the act and § 1.20 of this chapter. The time and place of hearings and the issues involved are stated in Commission orders served on the participants and interested State agencies and published in the FEDERAL REGISTER. A prehearing conference procedure is provided by § 1.18 of this chapter. Provisions are also made in the rules concerning expert witnesses, stipulations, evidence, presiding officers, copies of transcripts, motions, and time requirements. Evidence may be offered and cross-examination conducted by any party to the proceeding and by staff counsel. Testimony and exhibits are given and prepared, and other assistance rendered staff counsel by the technical staff as may be required. Appeals from rulings of presiding officers during the course of proceedings may be made to the Commission in accordance with § 1.28 of this chapter. Briefs and oral arguments before presiding officers, and proposed findings and orders, are subject to § 1.29 of this chapter. The presiding officer's report, exceptions thereto, briefs and oral arguments before the Commission, decisions by the Commission, and reopening of proceedings are governed by § 1.30, et seq., of this chapter.

§ 02.70 *Rules and regulations.* The requirements for petitions for rule making under section 16 of the act are stated in § 1.7 of this chapter. After notice, hearings may be held (see § 02.0). The rules of practice and procedure of the Commission are contained in Part 1 of this chapter.

§ 02.71 *Joint boards; cooperation with State commissions.* The procedures for the use of joint boards and cooperation with State commissions, pursuant to section 17 of the act, are set forth in § 1.37 of this chapter.

§ 02.72 *Rehearings.* The requirements for applications for rehearings under section 19 (a) of the act are stated in § 1.34 of this chapter. Such applications may be filed with respect to any final Commission order, whether or not a hearing has previously been held in the matter.

§ 02.73 *Approved forms, etc.* (a) The following is a list of approved forms, statements, and reports under the Natural Gas Act, descriptions of which have been published in Parts 250 and 260 of this chapter.

(1) Certificate of service (18 CFR, 250.1).
(2) Certificate of concurrence (18 CFR, 250.2).
(3) Notice of cancellation or termination (18 CFR, 250.3).
(4) Notice of succession in ownership or operation (18 CFR, 250.4).
(5) Form No. 2. Annual Report for natural gas companies, Classes A and B (18 CFR, 260.1).
(6) Form No. 2A. Annual Report for natural gas companies, Classes C and D (18 CFR, 260.2).
(7) Form No. 11. Monthly statement of operating revenue and income for natural gas companies (18 CFR, 260.3).
(8) Form No. Temp. 2–46. Directory of gas (and electric) utilities (18 CFR, 260.4).

(b) The approved forms listed in paragraph (a) (1) to (4) inclusive of this section, are published in the regulations, copies of which regulations may be obtained from the Secretary upon written request. Copies of statements and reports listed in paragraph (a) (5) to (8) inclusive, of this section, may be obtained from the Publications Division of the Commission.

§ 02.74 *Other matters.* Information concerning any function, form, or procedure of the Commission under the Natural Gas Act, not described in §§ 02.51 to 02.73, inclusive, may be secured upon written request to the Secretary.

FUNCTIONS UNDER OTHER AUTHORIZATIONS

§ 02.81 *Executive Order 8202.* (a) The requirements for applications for construction, operation, maintenance, or connection of facilities for the transmission of electric energy from the United States to foreign countries, under Executive Order 8202, are stated in § 32.50 et seq. of this chapter. Such applications are referred to the Bureau of Power and to the Bureau of Law for studies and recommendations. Upon the basis of the application, staff studies, recommendations of the Secretary of State and the Secretary of War, and other pertinent data, the Commission submits such applications to the President with its recommendations concerning appropriate disposition.

(b) The requirements for applications for construction, operation, maintenance, or connection of facilities for the exportation and importation of natural gas from or into the United States are stated in § 153.10, et seq. of this chapter. Such applications are referred to the Bureau of Accounts, Finance and Rates and to the Bureau of Law for studies and recommendations. Thereafter they are processed in the manner described in paragraph (a) of this section, for applications for the exportation of electric energy.

PART 03—SUBSTANTIVE RULES, GENERAL POLICY AND INTERPRETATIONS

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03.0 Introduction.

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AUTHORITY: §§ 03.0 to 03.28, inclusive, issued under sec. 309, 49 Stat. 858, sec. 3, 60 Stat. 238; 16 U. S. C. 825h, 5 U. S. C. Sup. 1002.

§ 03.0 *Introduction.* This part states the substantive rules of general application and statements of general policy and interpretations formulated and adopted by the Commission for the guidance of the public. Those under the Federal Power Act are stated first, followed by those under the Natural Gas Act.

SUBSTANTIVE RULES UNDER THE FEDERAL POWER ACT

§ 03.1 *Regulations under the Federal Power Act.* The "Regulations under the Federal Power Act", considered in part substantive and in part procedural, are published as Subchapter B of this chapter.

§ 03.2 *Uniform system of accounts.* The uniform system of accounts pre-

scribed for public utilities and licensees subject to the provisions of the Federal Power Act, as published in Parts 101, 102, and 103 of Subchapter C of this chapter. Other accounting regulations thereunder are published in Parts 104, 116, 120 and 125.

§ 03.3 *Approved forms.* The approved forms, statements, and reports under the Federal Power Act, are listed and described in §§ 02.13 and 02.44 of this subchapter.

STATEMENTS OF GENERAL POLICY AND INTERPRETATIONS UNDER THE FEDERAL POWER ACT

§ 03.26 *Transmission lines.* In a public statement dated March 7, 1941, the Commission announced its determination that transmission lines which are not primary lines transmitting power from the power house or appurtenant works of a project to the point of junction with the distribution system or with the interconnected primary transmission system as set forth in section 3 (11) of the act are not within the licensing authority of the Commission, and directed that future applications filed with it for such licenses be referred for appropriate action to the Federal department having supervision over the lands or waterways involved.

§ 03.27 *Jurisdictional status.* The Commission approved on June 26, 1945, the following conclusions concerning the jurisdictional status under the act of persons owning or operating specified facilities:

The ownership or operation of facilities for the transmission of electric energy from a point within a State to a foreign country makes one a "public utility" under the Federal Power Act, even though the portion of such facilities in this country is located wholly within such State.

§ 03.28 *Suspension of rate schedules.* The Commission approved and adopted on May 29, 1945, the following conclusions as to its powers of suspension of rate schedules under section 205 of the act:

(a) The Commission cannot suspend a rate schedule after its effective date.

(b) The Commission can suspend any new schedule making any change in an existing filed rate schedule, including any rate, charge, classification, or service, or in any rule, regulation, or contract relating thereto, contained in the filed schedule.

(c) Included in such changes which may be suspended are:

(1) Increases.

(2) Reductions.

(3) Discriminatory changes.

(4) Cancellation or notice of termination.

(5) Changes in classification, service, rule, regulation or contract.

(d) An initial rate schedule cannot be suspended.

(e) Immaterial, unimportant, or routine changes will not be suspended.

(f) During suspension, the prior existing rate schedule continues in effect and should not be changed during suspension.

(g) Changes under escalator clauses may be suspended as changes in existing filed schedules.

(h) Suspension of a rate schedule, within the ambit of the Commission's statutory authority is a matter within the discretion of the Commission.

SUBSTANTIVE RULES UNDER THE NATURAL GAS ACT

AUTHORITY: §§ 03.51 to 03.79, inclusive, issued under sec. 16, 52 Stat. 830, sec. 3, 60 Stat. 238; 15 U. S. C. 717o, 5 U. S. C. Sup. 1002.

§ 03.51 *Regulations under the Natural Gas Act.* The "Regulations under the Natural Gas Act", considered in part substantive and in part procedural, are published as Subchapter E of this chapter.

§ 03.52 *Uniform system of accounts.* The uniform system of accounts prescribed for natural gas companies subject to the provisions of the Natural Gas Act, is published in Part 201 of Subchapter F of this chapter. Other accounting regulations thereunder are published in Part 221 of this chapter.

§ 03.53 *Approved forms.* The approved forms, statements, and reports under the Natural Gas Act, are listed and described in § 02.73 of this subchapter.

STATEMENTS OF GENERAL POLICY AND INTERPRETATIONS UNDER THE NATURAL GAS ACT

§ 03.76 *Jurisdictional status.* The Commission approved on June 26, 1945, the following conclusions relating to the jurisdictional status under the Act of persons owning or operating specified facilities:

The transportation of natural gas from or to a point within a State to or from a foreign country makes one a "natural gas company" under the Natural Gas Act, even though the portion of such transportation which takes place within this country is limited to such State.

§ 03.77 *Suspension of rate schedules.* The Commission, in approving and adopting the interpretation stated in § 03.28, applied it also to the suspension of rate schedules under section 4 of the Natural Gas Act.

§ 03.78 *Certificate applications.* The Commission, in a letter dated December 20, 1945, addressed to all natural gas companies, stated in part:

* * * It has come to the attention of the Commission, * * * that certain natural gas companies subject to the jurisdiction of the Commission have constructed, and in some instances operated, facilities without having received prior authorization required by section 7 of the Natural Gas Act. The Commission, therefore, gives notice to all companies that appropriate action will be taken against any such company constructing or operating facilities in violation of the Natural Gas Act.

The Commission realizes that the problems of the reconversion period came upon the industry suddenly, but believes that the natural gas companies should now be able to plan their construction programs for the reasonable future so as to avoid the filing of multiple applications involving portions of what are essentially single extension projects. Intermittent applications for piecemeal construction are costly in time and money. Moreover, proper planning and timely application for authority to construct new facilities will reduce so-called emergency applications under section 7 of the Natural Gas Act, and thus provide for adequate capacity and service. Time will also be conserved if all applications are supported by complete data.

The Commission recognizes the possibility that natural gas companies may be faced with real emergency situations, and is prepared to act promptly to enable companies to deal with such contingencies when shown to exist and where the public interest demands emergency action.

§ 03.79 *Jurisdictional status of independent producers and gatherers.* The Federal Power Commission is of the opinion that it was the intent of the Congress that the control of production or gathering of natural gas should remain a function of the States and that the Natural Gas Act should not provide for regulation of those subjects.

For the purpose of administering the Natural Gas Act, the Commission will construe the exemption contained in section 1 (b), to the effect that the provisions of the act shall not apply to the "production or gathering" of natural gas, as including arm's-length sales of natural gas, by independent producers and gatherers, made during the course or upon completion of production and gathering. The Commission, consistent with this construction, will not assert jurisdiction over such producers and gatherers who might be subject to jurisdiction solely because of such sales.

PART 1—RULES OF PRACTICE AND PROCEDURE

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AUTHORITY: §§ 1.1 to 1.37, inclusive, issued under secs. 209, 309, 49 Stat. 853, 858, secs. 16, 17, 52 Stat. 830, 60 Stat. 237 et seq.; 16

U. S. C. 824h, 825h, 15 U. S. C. 717o, 717p, 5 U. S. C. Sup. 1001, et seq.

NOTE: Order 132, Federal Power Commission, Aug. 23, 1946, effective, Sept. 11, 1946, 11 F. R. 177A-496, provides as follows:

No power, right, obligation or duty in any proceeding initiated prior to September 11, 1946, arising or existing under or by virtue of any Rule or Regulation superseded by revision of this part shall be affected by such revision.

§ 1.1 *The Commission*[1]—(a) *Offices.* The principal office of the Commission is at Washington, D. C. All communications to the Commission shall be addressed to Federal Power Commission, Washington 25, D. C., unless otherwise specifically directed. Regional offices are maintained at Atlanta, Chicago, Fort Worth, New York, and San Francisco.

(b) *Hours.* The offices of the Commission will be open from 8:30 a. m. to 5:00 p. m. of each week-day except Saturday, unless otherwise provided by statute or Executive order.

(c) *Sessions.* The Commission meets and exercises its powers in any part of the United States.

(1) *Public.* Public sessions of the Commission will be held after due notice as ordered by the Commission.

(2) *General.* General sessions of the Commission for the transaction of its business will be held at the principal office of the Commission at Washington, D. C., on regular business days as scheduled by the Commission.

(3) *Special.* Special sessions of the Commission for consultation, or for the transaction of business, may be held at any time and place as may be scheduled by the Commission.

(d) *Quorum.* Three members of the Commission constitute a quorum for the transaction of business.

(e) *Action by members or representatives.* The Commission may, by one or more of its members especially authorized, or by such other representatives as it may designate and authorize, conduct in any part of the United States any inquiry, investigation, hearing or other process necessary to its duties and functions.

(f) *Definitions.* As used in this part, except as otherwise required by the context:

(1) "Person" means and shall include individuals, partnerships, corporations, associations, joint stock companies, public trusts, organized groups of persons, whether incorporated or not, receivers or trustees of the foregoing, municipalities, including cities, counties, or other political subdivisions of a State, States of the Union, including the District of Columbia or any territory of the United States, or any agency, authority or instrumentality of the United States, or of any one or more of the foregoing, or any corporation which is wholly owned directly or indirectly, by the United States, or by any one or more of the foregoing, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty.

(2) "Participant" means and shall include any party, any person admitted by the Commission to limited participation in a proceeding, and staff counsel.

(3) "Commission" and "Commissioner" means the Federal Power Commission, and a member thereof, respectively.

(4) "Secretary" means and shall include the Secretary or the Office of the Secretary of the Commission.

(5) "State Commission" means and shall include the regulatory body of any State or municipality having jurisdiction to regulate rates and charges for the sale of electric energy or natural gas to consumers within the State or municipality.

(6) "Presiding Officer" means and shall include any one or more of the members of the Commission duly designated, but not including the Commission when sitting as such, or one or more trial examiners appointed according to law and duly designated, to preside at hearings or conferences, or other officers specially provided for and designated pursuant to statute to conduct specified classes of proceedings.

(7) "Attorney" means and shall include any attorney admitted to practice before the Supreme Court of the United States, or the highest court of any State or Territory of the United States, or the United States Court of Appeals for the District of Columbia, or the District Court of the United States for the District of Columbia, or any other person with the requisite qualifications to represent others, who acts in a representative capacity for any party or participant to a proceeding before the Commission.

(8) "Applicants." In proceedings involving applications for permission or authorization which the Commission may give under statutory or other authority delegated to it, the parties on whose behalf the applications are made are styled applicants.

(9) "Declarants." In proceedings involving declarations of intention filed under the provisions of section 23 (b) of the Federal Power Act, the parties on whose behalf the declarations are made are styled declarants. (See Part 24 of this chapter.)

(10) "Complainants." Persons who complain to the Commission of anything done or omitted to be done in contravention or violation of the provisions of any statute or other delegated authority administered by the Commission, or of any orders, rules, or regulations issued or promulgated thereunder, or any other alleged wrong over which the Commission may have jurisdiction, are styled complainants.

(11) "Petitioners." Persons seeking relief, not otherwise designated in this section, are styled petitioners.

(12) "Defendants." Persons subject to any statute or other delegated authority administered by the Commission, or any orders, rules, or regulations issued or promulgated thereunder, against whom any complaint is filed, are styled defendants.

(13) "Interveners." Persons petitioning to intervene as provided by § 1.8, when admitted as a participant to a proceeding, and State Commissions giving notice of intervention as provided in said section, are styled interveners. Admission as an intervener shall not be construed as recognition by the Commission that such intervener might be aggrieved by any order of the Commission in such proceeding.

(14) "Protestants." Persons objecting on the ground of private or public interest to the approval of an application, petition, motion or other matter which the Commission may have under consideration, are styled protestants. Protestants desiring to become interveners in any proceeding before the Commission may file a petition for intervention as provided by § 1.8.

(15) "Respondents." Persons subject to any statute or other delegated authority administered by the Commission, to whom an order or notice is issued by the Commission instituting a proceeding or investigation on its own initiative, are styled respondents.

(16) "Staff Counsel" means and shall include the counsel of the Commission participating in a proceeding before the Commission.

(g) *Public information.* All pleadings, submittals and requests for official information shall be addressed to the principal office of the Commission, or shall be filed in or submitted to the Office of the Secretary, as provided by this part.

§ 1.2 *The Secretary*—(a) *Official records.* The Secretary shall have custody of the Commission's seal and official records, and shall be responsible for the maintenance and custody of the docket, files and records of the Commission, including the transcripts of testimony and exhibits, with all papers and requests filed in proceedings, the minutes of all action taken by the Commission, and all its findings, determinations, reports, opinions, orders, rules, regulations and approved forms.

(b) *Authentication of Commission action.* All orders and other actions of the Commission shall be authenticated or signed by the Secretary or such other person as may be authorized by the Commission.

(c) *Requests and submittals.* Pleadings and other submittals or papers required to be filed with the Commission shall be filed in the Office of the Secretary of the Commission at Washington, D. C., within such time limits as are prescribed for such filings; and, similarly, requests for official information, copies of official records, or opportunity to inspect public records, shall be made to the Office of the Secretary, as provided in this part.

§ 1.3 *Notice of public sessions and proceedings.* Public sessions of the Commission for taking evidence or hearing argument and public conferences and hearings before any presiding officer, including substantive rule-making pro-

[1] A statement of the Commission's organization is contained in Part 01 of this subchapter, the Commission's course and method of operation in Part 02 of this subchapter, and in Part 03 there are contained statements of substantive rules and general policy and interpretations of the Commission, with appropriate references to the "Rules of Practice and Procedure" and to Subchapters B—Regulations under the Federal Power Act, C—Accounts, Federal Power Act, D—Approved Forms, Federal Power Act, E—Regulations under the Natural Gas Act, F—Accounts, Natural Gas Act, and G—Approved Forms, Natural Gas Act.

ceedings, will not be held except upon due notice.

§ 1.4 *Appearances and practice before the Commission*—(a) *Appearances.* (1) Participants may appear in any proceeding in person or by an attorney or other qualified representative. An individual may appear in his own behalf, a member of a partnership may represent the partnership, a bona-fide officer of a corporation, trust, association or organized group may represent the corporation, trust, association or group, and an officer or employee of a State commission, of a department or political subdivision of a State or other governmental authority, may represent the State commission or the department or political subdivision of the State or other governmental authority, in any proceeding.

(2) Any person compelled to appear or voluntarily testifying or making a statement before the Commission or the presiding officer, may be accompanied, represented and advised by an attorney or other qualified representative.

(3) All persons appearing before the Commission or the presiding officer must conform to the standards of ethical conduct required of practitioners before the Courts of the United States, and where applicable, to the requirements of section 12 (i) of the Public Utility Holding Company Act of 1935 (49 Stat. 825; 15 U. S. C. 79*l* (i)).

(4) Any person appearing before or transacting business with the Commission in a representative capacity may be required by the Commission or the presiding officer to file evidence of his authority to act in such capacity.

(b) *Suspension.* (1) After hearing the Commission may disqualify and deny, temporarily or permanently, the privilege of appearing or practicing before it in any way to any person who is found (i) not to possess the requisite qualifications to represent others, or (ii) to have engaged in unethical or improper professional conduct, or (iii) otherwise to be not qualified.

(2) Contumacious conduct at any hearing before the Commission or a presiding officer shall be ground for exclusion of any person from such hearing and for summary suspension for the duration of the hearing by the Commission or the presiding officer.

(c) *Appearances of former employees barred for one year.* Except upon special permission of the Commission, no person having served as a member, officer, expert, examiner, attorney, accountant, engineer, or other employee of the Federal Power Commission may practice before or act as attorney, expert witness, or representative in any proceeding before the Commission within one year next after the separation of the said person from the service of the Commission.

§ 1.5 *Applications*—(a) *General.* Applications for authorization or permission which the Commission may give under statutory or other delegated authority administered by it, in addition to the requirements prescribed in this part, shall conform to the requirements of the rules and regulations promulgated by the Commission separately under the several statutes and delegations of authority administered by it. (See Subchapters B and E of this chapter.)

(b) *Contents.* All applications shall be in writing and under oath, shall state clearly and concisely the authorization or permission sought, shall cite by appropriate reference the statutory provision or other authority under which Commission authorization or permission is sought, and shall set forth in the order indicated the following (unless otherwise provided by Commission rules or regulations for the specific type of application involved):

(1) The exact legal name of the applicant, if the applicant is a corporation, trust, association, or other organized group, the State or territory under the laws of which the applicant was created or organized, the location of applicant's principal place of business, and the names of all states where applicant is authorized to do business.

(2) The name, title and post office address of the person to whom correspondence or communications in regard to the application is to be addressed. The Commission will serve, where required, all notices, orders and other papers upon the person so named and such service shall be deemed to be service upon applicant.

(3) All other information as required by the Commission's rules and regulations under which a specific type of application is filed, and as may be required by the Commission in a particular case or proceeding.

(c) *Form.* Except where otherwise provided by the Commission rules and regulations under which a specific type of application is filed, applications shall conform to the requirements of § 1.15 as to copies and style, and to § 1.16 as to subscription and verification.

§ 1.6 *Complaints and orders to show cause* — (a) *Informal complaints* — (1) *Form.* Informal complaints may be made by letter or other writing, and will be filed as received. Matters informally presented will, if their nature so warrants, be taken up by correspondence or conference with the party or parties complained of in an endeavor to bring about satisfaction of the complaint without formal hearing.

(2) *Substance.* No form of informal complaint is prescribed but in substance it should contain the name and address of complainant, the name and address of the party against whom the complaint is made, and a brief statement of the facts forming the basis of such complaint. Although the filing of an informal complaint is without prejudice to complainant's right to file a formal complaint, only formal complaints submitted and prosecuted in the manner prescribed in this section will initiate formal proceedings or make complainant a party to any proceedings already initiated, and only formal complaints will be admitted in the record of formal proceedings. It is desirable that the informal complaint be accompanied by sufficient copies to enable the Commission to transmit one to each party named and to each interested State commission, and retain one for its own use, and it may be accompanied by supporting papers.

(b) *Formal complaints* — (1) *Form.* Formal complaints shall be in writing and under oath and shall conform to the requirements of §§ 1.15 and 1.16. In such complaints there shall be stated the names and addresses of all parties, complainant and defendant, in full without abbreviations, with the name and address of each complainant's attorney, if any.

(2) *Substance.* Formal complaints shall be so drawn as fully and completely to advise the parties, defendant and the Commission of the facts constituting the grounds of the complaint, the provisions of statutes, rules, regulations, and orders relied upon, involving authority of the Commission, the injury complained of, and the relief sought.

(c) *Joinder.* Two or more grounds of complaint involving the same purposes, subject, or state of facts, may be included in one complaint, but should be separately stated and numbered; and two or more complainants may join in one complaint if their respective causes of complaint are against the same defendant or defendants, and involve substantially the same purposes and subject, and a like state of facts.

(d) *Orders to show cause.* Whenever the Commission desires to institute a proceeding against any person under statutory or other authority, the Commission may commence such action by an order to show cause setting forth the grounds for such action. Said order will contain a statement of the particulars and matters concerning which the Commission is inquiring, which shall be deemed to be tentative and for the purpose of framing issues for consideration and decision by the Commission in the proceeding, and the order will require that the respondent named respond orally, or in writing (as provided in § 1.9 (c)), or both.

§ 1.7 *Petitions*—(a) *General.* Petitions for relief under any statute or other authority delegated to the Commission shall be in writing and under oath, shall state clearly and concisely the petitioner's grounds of interest in the subject matter, the facts relied upon, and the relief sought, and shall cite by appropriate reference the statutory provision or other authority relied upon for relief and shall conform to the requirements of §§ 1.15 and 1.16.

(b) *For issuance, amendment or repeal of rules.* A petition for the issuance, amendment, or repeal of a rule by the Commission shall set forth clearly and concisely petitioner's interest in the subject matter, the specific rule, amendment, or repeal requested, and cite by appropriate reference the statutory provision or other authority therefor. Such petition shall set forth the purpose of, and the facts claimed to constitute the grounds requiring, such rule, amendment, or repeal, and shall conform to the requirements of §§ 1.15 and 1.16. Petitions for the issuance or amendment of a rule shall incorporate the proposed rule or amendment.

(c) *For declaratory orders.* Petitions for the issuance, in the discretion of the Commission, of a declaratory order to terminate a controversy or remove un-

certainty, shall state clearly and concisely the controversy or uncertainty which is the subject of the petition, shall cite the statutory provision or other authority involved, shall include a complete statement of the facts and grounds prompting the petition, together with a full disclosure of petitioner's interest, and shall conform to the requirements of §§ 1.15 and 1.16.

§ 1.8 *Intervention*—(a) *Initiation of intervention.* Participation in a proceeding as an intervener may be initiated as follows:

(1) By the filing of a notice of intervention by a State Commission, including any regulatory body of the State or municipality having jurisdiction to regulate rates and charges for the sale of electric energy, or natural gas, as the case may be, to consumers within the intervening State or municipality.

(2) By order of the Commission upon petition to intervene.

(b) *Who may petition.* A petition to intervene may be filed by any person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute under which the proceeding is brought. Such right or interest may be:

(1) A right conferred by statute of the United States;

(2) An interest which may be directly affected and which is not adequately represented by existing parties and as to which petitioners may be bound by the Commission's action in the proceeding (the following may have such an interest: consumers served by the applicant, defendant, or respondent; holders of securities of the applicant, defendant, or respondent; and competitors of the applicant, defendant, or respondent).

(3) Any other interest of such nature that petitioner's participation may be in the public interest.

(c) *Form and contents of petitions.* Petitions to intervene shall set out clearly and concisely the facts from which the nature of the petitioner's alleged right or interest can be determined, the grounds of the proposed intervention, and the position of the petitioner in the proceeding, so as fully and completely to advise the parties and the Commission as to the specific issues of fact or law to be raised or controverted, by admitting, denying or otherwise answering, specifically and in detail, each material allegation of fact or law asserted in the proceeding, and citing by appropriate reference the statutory provisions or other authority relied on. They shall in other respects comply with the requirements of §§ 1.15 and 1.16.

(d) *Filing and service of petitions.* Petitions to intervene and notices of intervention shall be filed with the Commission within the time provided in any notice of the proceeding or in the order fixing date of hearing, but not less than 10 days before the date set for the commencement of the hearing, if any, except as otherwise specifically permitted by the Commission in extraordinary circumstances for good cause shown. Service shall be made as provided in § 1.17. Where a person has been permitted to intervene notwithstanding his failure to file his petition within the time prescribed in this paragraph, the Commission or presiding officer may, where the circumstances warrant, admit any exhibit in evidence without requiring additional copies thereof to be produced for such intervener.

(e) *Answers to petitions.* Any party to the proceeding or staff counsel may file an answer to a petition to intervene, and in default thereof, may be deemed to have waived any objection to the granting of such petition. If made, answers shall be filed within 10 days after the date of service of the petition, but not later than 5 days prior to the date set for the commencement of the hearing, if any, unless for cause the Commission with or without motion shall prescribe a different time. They shall in all other respects conform to the requirements of §§ 1.15 to 1.17, inclusive.

(f) *Notice and action on petitions*—(1) *Notice and service.* Petitions to intervene, when tendered to the Commission for filing, shall show service thereof upon all participants to the proceeding in conformity with § 1.17 (b).

(2) *Action on petitions.* As soon as practicable after the expiration of the time for filing answers to such petitions or default thereof, as provided in paragraph (e) of this section, the Commission will grant or deny such petition in whole or in part or may, if found to be appropriate, authorize limited participation. No petitions to intervene may be filed or will be acted upon during a hearing unless permitted by the Commission after opportunity for all parties to object thereto. Only to avoid detriment to the public interest will any presiding officer tentatively permit participation in a hearing in advance of, and then only subject to, the granting by the Commission of a petition to intervene.

(g) *Limitation in hearings.* Where there are two or more interveners having substantially like interests and positions, the Commission or presiding officer may, in order to expedite the hearing, arrange appropriate limitations on the number of attorneys who will be permitted to cross-examine and make and argue motions and objections on behalf of such interveners.

§ 1.9 *Answers*—(a) *Answers to formal complaints and petitions.* Answers to formal complaints and petitions, other than petitions to intervene, shall be filed with the Commission within 30 days after the date of service, unless for cause the Commission with or without motion shall prescribe a different time, but in no case shall answer be required in less than 10 days after the date of service. Any defendant failing to file answer within such period shall be deemed in default, and all relevant basic facts stated in such complaint or petition may be deemed admitted. All answers shall be in writing and under oath, and so drawn as fully and completely to advise the parties and the Commission as to the nature of the defense. They shall admit or deny specifically and in detail each material allegation of the pleading answered, and state clearly and concisely the facts and matters of law relied upon. They shall conform to the requirements of §§ 1.15 to 1.17, inclusive.

(b) *Answers to petitions to intervene.* See § 1.8 (e).

(c) *Answers to orders to show cause.* Any person upon whom an order to show cause has been served under § 1.6 shall, if directed so to do, respond to the same by filing within the time specified in said order an answer in writing and under oath. Such answer shall be drawn so as specifically to admit or deny the allegations or charges which may be made in said order, set forth the facts upon which respondent relies, and state concisely the matters of law relied upon. Mere general denials of the allegations of said order unsupported by specific facts upon which respondent relies will not be considered as complying with the order and may be deemed a basis for entry of a final order without hearing, unless otherwise required by statute, on the ground that the response has raised no issues requiring a hearing or further proceedings. Any respondent failing to file answer within the time allowed shall be deemed in default, and all relevant facts stated in said order to show cause may be deemed admitted. Such answer shall otherwise conform to the requirements of §§ 1.15 to 1.17, inclusive.

(d) *Answers to motions.* See § 1.12 (c).

(e) *Defendants seeking affirmative relief.* Defendants seeking relief against other parties in a proceeding by reason of the presence of common questions of law or fact shall set forth in their answer the facts constituting the grounds of complaint, the provisions of the statutes, rules, regulations, or orders relied upon, the injury complained of, and the relief sought. The answer shall in all other respects, conform to the requirements of this section and §§ 1.15 to 1.17, inclusive.

(f) *Replies to defendants seeking affirmative relief.* Unless otherwise ordered by the Commission, replies to answers seeking affirmative relief must be filed and served within 15 days after the service of the answer, but not later than 5 days prior to the date set for the commencement of the hearing, if any. They shall in all other respects conform to the requirements of §§ 1.15 to 1.17, inclusive.

(g) *Answers to amendments of pleadings.* Any party to a proceeding or staff counsel may file an answer to any amendment, modification or supplement to an application, complaint, petition or other pleading. If made, answers shall be filed within 15 days after the date of service of the amendment, modification or supplement, unless for cause the Commission or presiding officer with or without motion shall prescribe a different time. They shall in all other respects conform to the requirements of §§ 1.15 to 1.17, inclusive.

(h) *Satisfaction of complaints.* If the defendant satisfies a formal complaint either before or after answering, a statement to that effect signed by the opposing parties shall be filed, setting forth when and how the complaint has been satisfied and requesting dismissal. Such statements shall be served upon all parties, and the original copies of such

statements, when filed, shall show service on all parties, and in other respects shall conform to the requirements of §§ 1.15 to 1.17, inclusive; all additional copies shall be conformed thereto.

§ 1.10 *Protests*—(a) *General.* Protests may be informal or formal.

(b) *Informal*—(1) *Form.* Informal protests may be made by letter or other writing, and will be filed as received, and will be given such consideration as their contents and nature warrant.

(2) *Substance.* No form of informal protest is prescribed, but in substance the letter or other writing should contain the name and address of protestant, the proceeding or nature of the matter which is the subject of the protest, the action or omission to which objection is made, and the grounds of protest.

(c) *Formal*—(1) *Form.* Formal protest shall be in writing and under oath, shall be served and in other respects shall conform to the requirements of §§ 1.15 to 1.17, inclusive. In such protests there shall be stated the names and addresses of all protestants, in full without abbreviations, with the name and address of each protestant's attorney, if any.

(2) *Substance.* Formal protests shall set forth clearly and concisely the position and interest of the protestant in the proceeding and shall be so drawn as fully and completely to advise the parties and the Commission as to the grounds of opposition to the acts or omissions complained of, and shall in other respects conform to the requirements of § 1.6.

(d) *Intervention by protestant.* Protestants desiring to become interveners in any proceeding before the Commission may file a petition for intervention as provided by § 1.8.

§ 1.11 *Amendments and withdrawal of pleadings*—(a) *Amendments.* Any modification or supplement to an application, complaint, petition or other pleading shall be deemed as an amendment to the pleading, and shall comply with the requirements of the rules of this chapter relating to the pleading amended insofar as appropriate and in all other respects shall conform to the requirements of §§ 1.15 to 1.17, inclusive. Upon its own motion or upon motion promptly filed by any participant, the Commission may for good cause decline to permit, or may strike in whole or in part, any amendment. No amendment to a pleading may be filed within 5 days next preceding the commencement of or during a hearing unless directed or permitted by the Commission or the presiding officer after opportunity for all parties to be heard thereon.

(b) *Amendments to conform to the evidence.* When, at a hearing, issues not raised by the pleadings are introduced by express or implied consent of the parties, they shall be treated in all respects as if they had been raised in the pleadings. Such amendment of the pleadings as may be necessary to cause them to conform to the evidence and to raise these new issues may be made upon motion of any participant at any time during the hearing. If evidence upon such new issues is objected to on the ground that it is not within the issues raised by the pleadings, the Commission or the presiding officer may allow the pleadings to be amended and such evidence to be received, when it appears that the presentation of the merits of the proceeding will be served thereby without prejudicing the public interest or the rights of any participant. When, in the discretion of the Commission or the presiding officer, a continuance is necessary in order to enable the objecting participant to meet such new issues and evidence, a continuance may be granted by the Commission or the presiding officer.

(c) *Directed amendments.* The Commission may at any time, or during a hearing the presiding officer may on his own motion or the motion of any participant, direct a party to state his case by way of amendment more fully or in more detail. Such amendment shall be reduced to writing and filed within such time as may be fixed therefor, and shall conform to the requirements of §§ 1.15 to 1.17, inclusive.

(d) *Withdrawal of pleadings.* A participant desiring to withdraw a pleading filed with the Commission may file a notice of withdrawal thereof with the Commission. Such notice shall set forth the reasons for the withdrawal and conform to the requirements of this section and §§ 1.15 to 1.17, inclusive, as to copies, form, service, subscription, and verification. A certificate shall accompany every notice showing service on all participants. Unless otherwise ordered by the Commission for good cause, such notice shall, 30 days after the filing thereof, be deemed to have effected the withdrawal of the pleading, including amendments, if any: *Provided, however,* That this paragraph shall not be construed as effecting, without express permission of the Commission, withdrawal of:

(1) Any pleading in any proceeding in which a hearing has been held or convened;

(2) Any formal complaint, answer thereto, response to order to show cause, or any amendment to any of the aforesaid pleadings;

(3) Any declaration of intention or application for license, or amendment thereof, under Part I of the Federal Power Act.

§ 1.12 *Motions*—(a) *Scope and contents.* After a hearing has commenced in a proceeding, a request may be made by motion for any procedural or interlocutory ruling or relief desired except as may be expressly provided for in §§ 1.5, 1.6, 1.7 (b) and (c), 1.8, 1.9, 1.10 and 1.11. Other motions may be made as provided for elsewhere in this part. Motions shall set forth the ruling or relief sought, and state the grounds therefor and the statutory or other authority relied upon.

(b) *Presentation.* The requirements of §§ 1.15 to 1.17, inclusive, shall apply to all written motions. Motions made during hearings may be stated orally upon the record, *Provided, however,* That the Commission or presiding officer may require that such motions be reduced to writing and filed separately.

(c) *Objections.* Any party or staff counsel shall have ten days within which to answer or object to any motion unless the period of time is otherwise fixed by the Commission or presiding officer.

(d) *Rulings on.* The presiding officer designated to preside at a hearing is authorized to rule upon any motion not formally acted upon by the Commission prior to the commencement of the hearing where immediate ruling is essential in order to proceed with the hearing, and upon any motion filed or made after the commencement thereof and prior to the submission of his initial or recommended decision in the proceedings, *Provided, however,* That no motion made before or during a hearing, a ruling upon which would involve or constitute a final determination of the proceeding, shall be ruled upon by a presiding officer except as a part of either his initial or recommended decision submitted after the conclusion of the hearing, *Provided, further,* That this section shall not be construed as precluding a presiding officer, within his discretion, from referring any motion to the Commission for ultimate determination. The Commission will rule upon all other motions and upon such motions as presiding officers may certify to the Commission for disposition.

§ 1.13 *Time; extensions of time; issuance of orders*—(a) *Computation of time.* Except as otherwise provided by law, in computing any period of time prescribed or allowed by this part, by any rule, regulation, or order of the Commission, or by any applicable statute, the day of the act, event, or default from or after which the designated period of time begins to run shall not be included, but the last day of the period so computed shall be included, unless it is a Saturday, Sunday, or a legal holiday in the District of Columbia, in which event the period shall run until the end of the next day which is not a Saturday, Sunday, or a holiday. A part-day holiday shall be considered as other days and not as a holiday.

(b) *Issuance of orders.* In computing any period of time involving the date of the issuance of an order by the Commission, the day of issuance of an order shall be the day the Office of the Secretary mails or delivers copies of the order (full text) to the parties or their attorneys of record, or makes such copies public, whichever be the earlier. Orders will not be made public prior to the mailing or delivery to the parties or their attorneys of record, except where, in the judgment of the Commission, the public interest so requires. The day of issuance of an order may or may not be the day of its adoption by the Commission. In any event, the Office of the Secretary shall clearly indicate on each order the date of its issuance. At the time any intermediate initial or tentative decision becomes effective as a decision of the Commission in the absence of Commission review as provided for by §§ 1.30 and 1.31, the Secretary will issue and serve upon the parties of record an appropriate notice of the date such decision became effective as a Commission decision or order.

(c) *Effective dates of orders.* Orders of the Commission shall be effective as of the dates of issuance unless otherwise specifically provided in the orders.

(d) *Extensions of time.* Except as otherwise provided by law, whenever by any rule, regulation, or order of the Commission, or any notice given thereunder, an act is required or allowed to be done at or within a specified time, the time fixed or the period of time prescribed may, by the Commission or the presiding officer, for good cause be extended upon motion made before expiration of four-fifths of the period originally prescribed or as previously extended; and upon motion made after the expiration of the specified period, the act may be permitted to be done where reasonable grounds are shown for the failure to act.

(e) *Continuances.* Except as otherwise provided by law, the Commission may for good cause at any time, with or without motion, continue or adjourn any hearing. A hearing before the Commission or a presiding officer, shall begin at the time and place ordered by the Commission, but thereafter may be adjourned from time to time or from place to place by the Commission or the presiding officer.

(f) *Requests for continuance, time extensions.* Except as otherwise provided by law, requests for continuance of hearings or for extensions of time in which to perform any act required or allowed to be done at or within a specified time by any rule, regulation, or order of the Commission, shall be by motion in writing, timely filed with the Commission, stating the facts on which the application rests, except that during the course of a hearing in a proceeding, such requests may be made by oral motion in the hearing before the Commission or the presiding officer. Written motions filed under this section shall conform to the requirements of §§ 1.12 and 1.15 to 1.17, inclusive.

§ 1.14 *Filings; docket; hearing calendar*—(a) *Filing with the Commission*—(1) *Defined.* The filing of written applications, complaints, declarations, petitions, protests, answers, motions, briefs, exceptions, rate schedules, notices, reports, or other pleadings, amendments to pleadings, documents, or papers, with the Commission as required or allowed by these rules, by any rule, regulation, or order of the Commission, or by any applicable statute, shall be made by filing them with the Office of the Secretary of the Commission in Washington, D. C. Any such papers must be received by the Commission in Washington, D. C., within the time limit, if any, for such filing.

(2) *Acceptance for filing.* There will be accepted for filing only such applications, pleadings, and other papers as conform to the requirements of these rules, and any other applicable rule, regulation, or order of the Commission or applicable statute; applications, pleadings or other papers tendered for filing which fail so to conform may be refused acceptance for filing and may be returned by the Secretary with an indication of the deficiencies of the tendered filing and the reasons for non-acceptance and return. No matter so tendered but not accepted for filing shall be entered on the Commission's docket. Acceptance for filing shall not waive any failure to comply with the rules, and such failure may be cause for striking all or any part of such filing.

(b) *Docket.* The Secretary shall maintain a docket of all proceedings, and each proceeding as initiated shall be assigned an appropriate designation. The docket shall be available for inspection and copying by the public during the office hours of the Commission insofar as consistent with the proper discharge of the Commission's duties.

(c) *Hearing calendar.* (1) The Secretary shall maintain a hearing calendar of all proceedings set for hearing.

(2) In the absence of cause requiring otherwise, and as time, the nature of the proceedings, and the proper execution of the Commission's functions permit, matters required to be determined upon the record after opportunity for hearing will be placed upon the hearing calendar in the order the proceedings are initiated and recorded upon the Commission's docket. Proceedings pending upon this calendar will in their order of assignment, so far as practicable, be heard at the times and places fixed by the Commission, giving due regard to the convenience and necessity of the parties or their attorneys; however, in its discretion with or without motion, the Commission for cause may at any time with due notice to the parties advance or postpone any proceeding on the hearing calendar.

§ 1.15 *Formal requirements as to pleadings, documents and other papers filed in proceedings*—(a) *Title.* Pleadings, documents, or other papers filed with the Commission in any proceeding shall clearly show the docket designation and title of the proceeding before the Commission.

(b) *Copies.* Except as may be otherwise required by the rules or regulations of the Commission, or ordered or requested by the Commission, at the time pleadings, documents, or other papers other than correspondence, are filed with the Commission, there shall be furnished to the Commission an original and 19 conformed copies of such papers and exhibits, if any: *Provided, however,* When service is made by the parties, or service is not required to be made, only an original and 14 conformed copies need be filed. (See § 1.17 (f) re service and § 1.26 (c) (5) re exhibits in hearings.)

(c) *Form*—(1) *Typewritten.* Pleadings, documents, or other papers filed in proceedings, if not printed, shall be typewritten on paper cut or folded to letter size, 8 to 8½ inches wide by 10½ to 11 inches long, with left-hand margin not less than 1½ inches wide and other margins not less than 1 inch. The impression shall be on only one side of the paper and shall be double spaced, except that quotations in excess of a few lines shall be single spaced and indented. Mimeographed, multigraphed, hectographed, or planographed copies will be accepted as typewritten, provided all copies are clearly legible.

(2) *Printed.* If printed, they shall not be less than 10-point type on unglazed paper, cut or folded so as not to exceed 8½ inches wide by 11 inches long, with inside margin not less than 1 inch wide, and with double-leaded text and single-leaded, indented quotations.

(d) *Binding.* Pleadings, documents, and other papers other than correspondence shall be bound at the left side only.

(e) *Signature.* Except as may be otherwise required by the rules or regulations of the Commission, or ordered or requested by the Commission, the original copy of each application, complaint, declaration, petition, protest, answer, motion, brief, exception, rate schedule, notice, report, statement and other pleading, amendment to pleading, document or paper, shall be signed in ink by the party in interest, or by his or its attorney, as required by these rules, and shall show the office and post office address of the same. All other copies filed shall be fully conformed thereto.

(f) *Improper matter.* Any paper containing defamatory, scurrilous, or unethical matter will be rejected by the Commission.

§ 1.16 *Subscription and verification*—(a) *Subscription*—(1) *By whom.* Applications, formal complaints, petitions and other pleadings, amendments thereto, notices, reports, exhibits, and other requests, submittals, or statements filed with the Commission shall be subscribed: (i) by the person filing the same, and severally if there be more than one person so filing; (ii) by an officer thereof if it be a corporation, trust, association, or other organized group; (iii) by an officer or employee thereof if it be a State commission, a department or political subdivision of a State, or other governmental authority, agency, or instrumentality; or (iv) by an attorney having authority with respect thereto. Applications, formal complaints, petitions to intervene and petitions initiating proceedings, filed by any corporation, trust, association, or other organized group, may be required to be supplemented by appropriate evidence of the authority of the officer or attorney subscribing such pleadings.

(2) *Effect.* The signature of the person, officer or attorney subscribing any pleading or matter filed with the Commission constitutes a certificate by such individual that he has read the pleading or matter being subscribed and filed, and knows the contents thereof; that if executed in any representative capacity, the matter has been subscribed and executed in the capacity specified upon the pleading or matter filed with full power and authority so to do; that the contents are true as stated, except as to matters and things, if any, stated on information and belief, and that as to those matters and things, he believes them to be true.

(b) *Verification.* Any facts alleged in the matter filed shall be verified under oath by the person filing, an officer, or other person having knowledge of the matters set forth. If the verification be by any one other than the person filing or other than an officer thereof, it shall include a statement of the reason therefor.

§ 1.17 *Service*—(a) *By the Commission.* Applications, formal complaints, petitions other than intervening petitions, orders and all forms of Commis-

sion action shall be served by the Secretary by registered mail, except when service by other method shall be specifically required by the Commission, by registering and mailing a copy thereof to the person, partnership, corporation, trust, association, or other organized group to be served, addressed to the person or persons designated in the initial pleadings, at his or its principal office or place of business. When service is not accomplished by registered mail, it may be effected by any one duly authorized by the Commission (1) by delivering a copy of the document to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of a corporation to be served, or to the representative of the trust, association or other organized group to be served, or (2) by leaving a copy thereof at the principal office or place of business of such person, partnership, corporation, trust, association or other organized group to be served. The return post office receipt for said document or other paper registered or mailed as aforesaid, or the verified return by the person accomplishing service, setting forth the manner of said service, shall be proof of such service.

(b) *By parties.* Answers, protests, intervening petitions, supplements or amendments thereto or to applications, complaints or petitions, motions, briefs, notices, and all other papers, except depositions, filed in proceedings pending before the Commission upon its docket, when filed or tendered to the Commission for filing, shall show service thereof upon all participants to the proceeding. Such service shall be made by delivering in person or by mailing, properly addressed with postage prepaid, one copy to each participant.

(c) *Upon attorneys.* When any participant has appeared by attorney, service upon such attorney shall be deemed service upon the participant.

(d) *Date of service.* The date of service shall be the day when the matter served is deposited in the United States mail, or is delivered in person, as the case may be. In computing the time from such date, the provisions of § 1.13 (a) shall apply.

(e) *Certificate of service.* There shall accompany and be attached to the original of each pleading, document, or other paper filed with the Commission, when service is required to be made by the parties, a certificate of service in the form prescribed by §§ 131.1 and 250.1 of this chapter. All other copies filed shall be fully conformed thereto.

(f) *Copies.* Where service is made by the parties, or service is not required to be made, save to the extent a different number is required by the Commission's rules and regulations governing the specific filing, an original and 14 conformed copies of such pleadings, documents, or other papers, together with exhibits, if any, shall be filed with the Commission in lieu of the original and 19 conformed copies required by § 1.15 (b). (See § 1.26 (c) (5) re exhibits in hearings.)

§ 1.18 *Prehearing conferences; offers of settlement*—(a) *To adjust or settle proceedings.* In order to provide opportunity for settlement of a proceeding, or any of the issues therein, there may be held at any time prior to or during hearings before the Commission or a presiding officer designated to preside at conferences or hearings, such informal conferences of parties and staff counsel for the submission and consideration of facts, arguments, offers of settlement, or proposals of adjustment as time, the nature of the proceeding, and the public interest may permit.

(b) *To expedite hearings.* To expedite the orderly conduct and disposition of any hearing, at such prehearing conferences as may be held, there may be considered, in addition to any offers of settlement or proposals of adjustment, the possibility of the following:

(1) The simplification of the issues;

(2) The exchange and acceptance of service of exhibits proposed to be offered in evidence;

(3) The obtaining of admission as to, or stipulations of, facts not remaining in dispute, or the authenticity of documents which might properly shorten the hearing;

(4) The limitation of the number of expert witnesses;

(5) Such other matters as may properly be dealt with to aid in expediting the orderly conduct and disposition of the proceeding.

(c) *Initiation of conferences.* The Commission with or without motion may direct that a prehearing conference be held. Upon motion by a party or staff counsel timely filed, a presiding officer designated to preside at the hearing or such other officer as may be designated may direct the attorneys for the parties to such proceedings and staff counsel to appear for a prehearing conference to consider the matters outlined in paragraph (b) of this section. Due notice of the time and place of such conference will be given to all parties to the proceeding and staff counsel.

(d) *Conference results stipulated.* Upon conclusion of a prehearing conference, attorneys for the parties and staff counsel shall immediately reduce the results thereof to the form of a written stipulation which recites the matters agreed upon, and 10 copies thereof shall forthwith be filed with the Commission by the presiding officer of such conference. Such stipulations may be received in evidence at a hearing and, when so received, shall be binding on the parties and staff counsel with respect to the matters therein stipulated.

(e) *Offers of settlement.* Nothing contained in this section shall be construed as precluding any party to a proceeding from submitting at any time offers of settlement or proposals of adjustment to all parties and to the Commission (or to staff counsel for transmittal to the Commission), or from requesting conferences for such purpose. Unaccepted proposals of settlement or of adjustment or as to procedure to be followed and proposed stipulations not agreed to shall be privileged and shall not be admissible in evidence against any counsel or person claiming such privilege.

§ 1.19 *Notice*—(a) *Rule making.* Before the adoption of any rule or the commencement of any hearing on any proposed rule making, the Commission will cause general notice to be given by publication in the FEDERAL REGISTER (unless all persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law), such notice to be filed with the FEDERAL REGISTER not less than 15 days prior to the date fixed for the consideration of the adoption of a proposed rule or rules or for the commencement of the hearing, if any, on the proposed rule making, except where a shorter period is reasonable and good cause exists therefor. Such notice will state the time, place, and nature of the proceeding, recite the authority under which the rule is proposed to be adopted and promulgated, and include either the terms or substance of the proposed rule or a description of the subjects and issues involved to inform interested persons of the nature of the proceeding, so as to permit any interested person to submit views, data, or proposals relative thereto; and such notice will set forth a time period in which interested persons may submit written data, views, or arguments concerning the proposed rule, indicating also whether opportunity for oral presentation or public hearing is contemplated; *Provided, however,* That:

(1) Where the Commission, for good cause, finds it impracticable, unnecessary, or contrary to the public interest to give such notice, it may proceed with the adoption of rules without notice by incorporating therein a finding to such effect and a concise statement of the reasons therefor;

(2) Except where notice or hearing is required by statute, the Commission may issue at any time rules of organization, procedure or practice, or interpretative rules, or statements of policy, without notice or public proceedings; and

(3) This section is not to be construed as applicable to the extent that there may be involved any military, naval or foreign affairs function of the United States, or any matter relating to the Commission's management or personnel, or to United States property, loans, grants, benefits, or contracts.

(b) *Hearings.* Before any hearing, except where a shorter period is reasonable and good cause exists therefor, the Commission will cause to be published in the FEDERAL REGISTER either a notice of hearing or the Commission's order setting the proceedings for hearing, such notice or order to be filed with the FEDERAL REGISTER not less than 15 days prior to the date fixed for the commencement of the hearing. Such notice or order will state the time, place and nature of the proceeding, recite the authority and jurisdiction under which the hearing is to be held, and indicate briefly the matters of fact and law asserted, to inform parties to the proceeding and the public of the subject matter and the issues involved, and, if already designated, the name of the presiding officer before whom the proceedings are to be conducted. In addition to such publication in the FEDERAL REGISTER, for hearings in proceedings in-

volving matters other than substantive rules of general applicability, copies of the notice or order setting the proceeding for hearing will be mailed by the Office of the Secretary to the parties of record and to States or other governmental authorities deemed to have an official interest in the proceeding.

§ 1.20 *Hearings*—(a) *How ordered.* Hearings for the purpose of taking evidence shall be held as ordered by the Commission and pursuant to adjournments thereof. In fixing the time and place of hearing the Commission will, so far as time and the proper execution of its functions permit, give due regard to the convenience and necessity of the parties or their attorneys, and give notice as provided in § 1.19; however, unless otherwise directed by the Commission or the presiding officer, not less than 15 days notice of the time and place of any indefinitely postponed hearing shall be given to the participants or their attorneys of record.

(b) *Consolidation.* The Commission upon its own motion, or upon motion by a party or staff counsel, may order proceedings involving a common question of law or fact to be consolidated for hearing of any or all the matters in issue in such proceedings.

(c) *Presiding officers.* All such hearings shall be held before the Commission or a duly designated presiding officer; but nothing herein shall be deemed to supersede or preclude the conduct of proceedings before boards or other officers specially provided for in § 1.37 or as the Commission may, after due notice, specially authorize and order.

(d) *Disqualification of a presiding officer.* A presiding officer may withdraw from a proceeding when he deems himself disqualified, or he may be withdrawn by the Commission for good cause found after timely affidavits alleging personal bias or other disqualifications have been filed and the matter has been heard by the Commission or by a presiding officer to whom it has delegated the matter for investigation and report.

(e) *Appearances.* The Commission or the presiding officer before whom the hearing is held will cause to be entered upon the record all appearances, with a notation in whose behalf each appearance is made. Included in such appearances shall be staff counsel participating, and a notation shall be made in the record of the names of the members of the Commission's technical staff participating, including accountants, engineers, and other experts, who have been assigned to work on the investigation or to assist in the trial of the case.

(f) *Order of procedure.* In hearings upon applications, declarations of intention, and determinations of the actual legitimate original cost of licensed projects, the applicant, declarant or licensee shall open and close. In hearings on formal complaints or petitions, the complainant or petitioner, as the case may be, shall open and close. In hearings involving suspended rates, the respondent shall open and close. In hearings on investigations, the presiding officer may direct who shall open and close. In hearings in proceedings in which accounting entries are questioned by the Commission, the party whose entries are in question shall open and close. When proceedings have been consolidated for hearing, the presiding officer shall designate who shall open and close. Interveners shall follow the parties in whose behalf the intervention is made; where the intervention is not in support of an original party, the presiding officer shall designate at what stage such intervener shall be heard. In proceedings where the evidence is peculiarly within the knowledge or control of another party or participant, the foregoing order of presentation may be varied by the presiding officer.

(g) *Presentation by parties.* (1) Parties and staff counsel shall have the right of presentation of evidence, cross examination, objection, motion, argument and appeal. Witnesses shall be examined orally unless the testimony is taken by deposition as provided in § 1.24, or the facts are stipulated in the manner provided in §§ 1.18 and 1.25. The taking of evidence and subsequent proceedings shall proceed with all reasonable diligence and with the least practicable delay.

(2) When objections to the admission or exclusion of evidence before the Commission or the presiding officer are made, the grounds relied upon shall be stated briefly. Formal exceptions are unnecessary and will not be taken to rulings thereon.

(h) *Prepared expert testimony.* With the approval of the Commission or the presiding officer, an expert witness may be permitted to offer as his testimony on direct examination (either by reading it into the record or by offering it for incorporation in the transcript without reading, as may appear more desirable depending upon its nature and extent) his own relevant and material statements of fact and expressions of opinion within his special field, in written form, *Provided,* That copies of such prepared testimony shall have been served upon all parties to the proceeding or their attorneys of record, including staff counsel of record, at least 5 days in advance of the session of the hearing at which such testimony is to be offered. Such prepared testimony shall be subject to the same rules of admissibility, and the author thereof may be cross examined in all respects as if such testimony were offered in the usual manner. Pertinent objections to such testimony or to any part of it may be made and prosecuted by means of motions to strike. Whenever in the circumstances of a particular case it is deemed necessary or desirable, the Commission or the presiding officer may direct that expert testimony to be given upon direct examination shall be reduced to writing and be served in advance of the time it is to be offered in evidence, and offered in the manner hereinbefore described. A reasonable period of time shall be allowed for the preparation of such written testimony.

(i) *Limiting number of expert witnesses.* The Commission or the presiding officer may limit appropriately the number of expert witnesses that may be heard upon any issue.

(j) *Additional evidence.* At any stage of the hearing, or after the close of testimony, the Commission or the presiding officer may call for further evidence upon any issue, and require such evidence to be presented by the party or parties concerned or by the staff counsel, either at that hearing or adjournments thereof. At the hearing, the Commission or the presiding officer may, if deemed advisable, authorize any participant to file specific documentary evidence as a part of the record within a fixed time, expiring not less than 10 days before the date fixed for filing and serving briefs.

(k) *Transcript and record.* Hearings shall be stenographically reported by the official reporter of the Commission, and a transcript of said report shall be a part of the record and the sole official transcript of the proceeding. Such transcripts shall include a verbatim report of the hearings; nothing shall be omitted therefrom except as is directed on the record by the Commission or the presiding officer. After the closing of the record, there shall not be received in evidence or considered as part of the record any document, letter or other writing submitted after the close of testimony except as provided in paragraph (j) of this section, or changes in the transcript as provided in paragraph (l) of this section.

(l) *Transcript corrections.* Corrections in the official transcript may be made only to make it conform to the evidence presented at the hearing and to speak the truth. No corrections or physical changes shall be made in or upon the official transcript of the proceeding, except as herein provided. Transcript corrections agreed to by opposing attorneys may be incorporated into the record, if and when approved by the Commission or the presiding officer, at any time during the hearing or after the close of evidence, as may be permitted by the Commission, or by the presiding officer before the filing of his report, but not less than 10 days in advance of the time fixed for filing final briefs. The Commission or the presiding officer may call for the submission of proposed corrections and may make disposition thereof at appropriate times during the course of a proceeding.

§ 1.21 *Copies of transcripts*—(a) *Availability to participants in public hearings.* The Commission will cause to be made a stenographic record of all public hearings and such copies of the transcript thereof as it requires for its own purposes. Participants desiring copies of such transcript may obtain the same from the official reporter upon payment of the fees fixed therefor.

(b) *Availability to persons who give evidence in investigations and nonpublic proceedings.* Any person compelled to furnish data or to give evidence in any investigation shall be entitled to retain or, upon payment of the lawfully prescribed fees therefor to the Official Reporter, the Secretary, or other designated officer of the Commission, to obtain a copy of the official transcript thereof; *Provided, however,* That where such data or evidence have been furnished or given in a nonpublic investigatory proceeding conducted by the Commission, such person may, for good cause, be limited to an inspection only, either in person or by a

duly accredited representative, of the official transcript of his testimony.

§ 1.22 *Witnesses*—(a) *Oral examination.* Witnesses shall be examined orally, and for good cause the Commission may permit their testimony to be taken by deposition as provided in § 1.24. Witnesses whose testimony is taken shall be sworn, or shall affirm, before any questions are put to them or any testimony given.

(b) *Expert witnesses.* Written testimony of an expert witness may be received as provided in § 1.20, where properly supported by the oral testimony of its author on direct examination, subject to cross-examination and motions to strike.

(c) *Fees of witnesses.* Witnesses subpenaed by the Commission shall be paid the same fees and mileage as are paid for like services in the District Courts of the United States. Witnesses subpenaed at the instance of participants shall be paid the same fees by the participant at whose instance the witness is subpenaed; and the Commission, before issuing any subpena as provided in § 1.23, may require a deposit of an amount adequate to cover the fees and mileage involved.

§ 1.23 *Subpenas*—(a) *Issuance.* Subpenas for the attendance of witnesses or for the production of documentary evidence, unless directed by the Commission upon its own motion, will issue only upon application in writing to the Commission or the presiding officer, except that during sessions of a hearing in a proceeding, such application may be made orally on the record before the Commission or presiding officer, who is hereby given authority to determine the relevancy and materiality of the evidence sought and to issue such subpenas in accordance with such determination. Such written applications shall be verified and shall specify as nearly as may be the general relevance, materiality, and scope of the testimony or documentary evidence sought, including, as to documentary evidence, specification as nearly as may be, of the documents desired and the facts to be proved by them in sufficient detail to indicate the materiality and relevance of such documents.

(b) *Service and return.* If service of subpena is made by United States marshal or his deputy, such service shall be evidenced by his return thereon. If made by another person, such person shall make affidavit thereof, describing the manner in which service is made, and shall return such affidavit on or with the original subpena. In case of failure to make service, the reasons for the failure shall be stated on the original subpena. In making service, a copy of the subpena shall be exhibited to and left with the person to be served. The original subpena, bearing or accompanied by the authorized return, affidavit or statement, shall be returned forthwith to the Secretary or, if so directed on the subpena, to the presiding officer before whom the person named in the subpena is required to appear.

(c) *Fees of witnesses.* Witnesses who are subpenaed shall be paid fees as provided in § 1.22.

§ 1.24 *Depositions*—(a) *When permissible.* The testimony of any witness may be taken by deposition, upon application by a participant in a proceeding pending before the Commission, at any time before the hearing is closed, upon approval by the Commission or the presiding officer.

(b) *Notice and application.* Unless notice is waived, no deposition shall be taken except after at least 10 days' notice to the parties within the United States, and 15 days' notice when a deposition is to be taken elsewhere. Such notice shall be given in writing by the participant proposing to take such deposition or by his attorney to the other participants or their attorneys of record and to the Commission. In such notice and application to take evidence by deposition, the participant desiring to take the deposition shall state the name and post office address of the witness, the subject matter concerning which the witness is expected to testify, the time and place of taking the deposition, the name and post office address of the officer before whom it is desired that the deposition be taken, and the reason why such deposition should be taken. The other participants may, within the time stated in this section, make any appropriate response to such notice and application. Such notices and responses thereto shall conform, as applicable, to the requirements of §§ 1.5 and 1.15 to 1.17, inclusive.

(c) *Authorization for taking.* Thereupon, if the application so warrants, the Commission or presiding officer will issue and serve, within a reasonable time in advance of the time fixed for taking testimony, upon the participants or their attorneys an authorization naming the witness whose deposition is to be taken, and the time, place and officer before whom the witness is to testify, but such time, place and officer so specified may or may not be the same as those named in the said notice and application.

(d) *Officer before whom taken*—(1) *Within the United States.* Such depositions may be taken before a member, a presiding officer, or other authorized representative of the Commission, any judge, commissioner, or clerk of any court of the United States, any chancellor, judge, or justice of a State court, any mayor or chief magistrate, of a city, or any notary public, not being counsel or attorney for any of the participants, or interested in the proceeding or investigation, according to such designation as may be made in the authorization.

(2) *In foreign countries.* Where such deposition is taken in a foreign country, it may be taken before a secretary of an embassy or legation, consul general, consul, vice consul, or consular agent of the United States, or before such person or officer as may be designated in the authorization or agreed upon by the parties by stipulation in writing filed with and approved by the Commission or the presiding officer. The magistrate, person, or officer so designated in this section will be referred to as the Officer.

(e) *Oath and reduction to writing.* Every person whose testimony is taken by deposition shall be sworn, or shall affirm concerning the matter about which he shall testify, before any questions are put or testimony given. The testimony shall be reduced to writing by the Officer, or under his direction, after which the deposition shall be subscribed by the witness and certified in the usual form by the Officer. Unless otherwise directed in the authorization, after the deposition has been subscribed and certified, it shall, together with the number of copies specified in the authorization, the copies being made by such Officer or under his direction, be forwarded by such Officer in a sealed envelope addressed to the Commission at its office in Washington 25, D. C., with sufficient stamps for postage affixed. Upon receipt thereof, the Secretary shall file the original in the proceeding and shall forward a copy to each party or his attorney of record and to staff counsel.

(f) *Form.* Such deposition shall conform to the requirements of § 1.15 in all respects except as to the number of copies.

(g) *Scope and conduct of examination.* Unless otherwise directed in the authorization, the deponent may be examined regarding any matter which is relevant to the issues involved in the pending proceeding, including the existence, description, nature, custody, condition and location of any books, documents or other tangible things, and the identity and location of persons having knowledge of relevant facts. Parties or their attorneys and staff counsel shall have the right of cross-examination, objection and exception. In making objections to questions or evidence, the grounds relied upon shall be stated briefly, but no transcript filed by the Officer shall include argument or debate. Objections to questions or evidence shall be noted by the Officer upon the deposition, but he shall not have power to decide on the competency or materiality or relevancy of evidence. Objections to questions or evidence not taken before the Officer shall be deemed waived.

(h) *Not part of record unless received in evidence.* No part of a deposition shall constitute a part of the record in the proceeding, unless received in evidence by the Commission or presiding officer. Objection may be made at the hearing in the proceeding to receiving in evidence any deposition or part thereof for any reason which would require the exclusion of the evidence if the witnesses were then present and testifying.

(i) *Fees of officers and deponents.* Deponents whose depositions are taken and the officers taking the same shall be entitled to the same fees as are paid for like services in the District Courts of the United States, which fees shall be paid by the party or participant at whose instance the depositions are taken.

§ 1.25 *Stipulations*—(a) *Presentation and effect.* In addition to stipulations made as provided by § 1.18, the parties and staff counsel may stipulate as to any relevant matters of fact or the authenticity of any relevant documents. Such stipulations may be received in evidence at a hearing, and when so received shall be binding on the parties and staff counsel with respect to the matters therein stipulated.

(b) *Form, style, and service.* Stipulations shall conform to the applicable re-

quirements of §§ 1.15 to 1.17, inclusive, except stipulations made orally on the record during hearings.

§ 1.26 *Evidence*—(a) *Form and admissibility.* In any proceeding before the Commission or a presiding officer relevant and material evidence shall be admissible, but there shall be excluded such evidence as is unduly repetitious or cumulative, or such evidence as is not of the kind which would affect reasonable and fair-minded men in the conduct of their daily affairs.

(b) *Reception and ruling on.* The presiding officer, subject to appeal to the Commission as provided in § 1.28, shall rule on the admissibility of all evidence, and shall otherwise control the reception of evidence so as to confine it to the issues in the proceeding. The number of expert witnesses to be heard on any issue may be limited appropriately or the production of further evidence upon any issue may be called for, as provided in § 1.20.

(c) *Documentary*—(1) *Designation.* Where relevant and material matter offered in evidence is embraced in a document containing other matter not material or relevant and not intended to be put in evidence, the participant offering the same shall plainly designate the matter so offered, segregating and excluding insofar as practicable the immaterial or irrelevant parts. If other matter is in such document in such bulk or extent as would necessarily encumber the record, such document will not be received in evidence, but may be marked for identification, and, if properly authenticated, the relevant and material parts thereof may be read into the record, or if the Commission or the presiding officer so directs, a true copy of such matter in proper form shall be received in evidence as an exhibit, and copies shall be delivered by the participant offering the same to the other parties or their attorneys and staff counsel appearing at the hearing, who shall be afforded an opportunity to examine the entire document and to offer in evidence in like manner other material and relevant portions thereof.

(2) *Commission's files.* In case any matter contained in a report or other document on file with the Commission is offered in evidence, such report or other document need not be produced or marked for identification, but may be offered in evidence by specifying the report, document, or other file containing the matter so offered.

(3) *Records in other proceedings.* When any portion of the record in any other proceeding before the Commission is offered in evidence and shown to be relevant and material to the instant proceeding, a true copy thereof shall be presented in the form of an exhibit, together with additional copies as provided in subparagraph (5) of this paragraph, unless:

(i) The participant offering the same agrees to supply, within a period of time specified by the Commission or the presiding officer, such copies at his own expense, if and when so required; and

(ii) The portion is specified with particularity in such manner as to be readily identified, and upon motion is admitted in evidence by reference to the records of the other proceeding.

(4) *Form and size.* Wherever practicable, all exhibits of a documentary character received in evidence shall be on paper of good quality and so prepared as to be plainly legible and durable, whether printed, photostated or typewritten, and shall conform to the requirements of § 1.15 whenever practicable.

(5) *Copies to parties and Commission.* Except as otherwise provided in these rules, when exhibits of a documentary character are offered in evidence, copies shall be furnished to the presiding officer and to the parties or counsel, including staff counsel, unless the Commission or the presiding officer otherwise directs. In addition, unless otherwise directed by the Commission or the presiding officer, four copies of each exhibit of documentary character shall be furnished for the use of the Commission.

(d) *Official notice of facts.* Official notice may be taken of such matters as might be judicially noticed by the courts of the United States or of any other matter of technical or scientific fact of established character peculiarly within the general knowledge of the Commission as an expert body; *Provided,* That any party shall, on timely request, be afforded an opportunity to show the contrary.

(e) *Depositions and stipulations.* See §§ 1.24 and 1.25.

§ 1.27 *Presiding officers*—(a) *Designation.* When evidence is to be taken in a proceeding, either the Commission, or, when duly designated for that purpose, one or more of its members, examiners, or other representative appointed according to law, may preside at the hearing.

(b) *Authority delegated.* Presiding officers duly designated by the Commission to preside at hearings shall have the authority, within the Commission's powers and subject to its published rules, as follows:

(1) To regulate the course of hearings;

(2) To administer oaths and affirmations;

(3) To issue subpenas;

(4) To rule upon offers of proof and receive evidence;

(5) To take or cause depositions to be taken;

(6) To hold appropriate conferences before or during hearings;

(7) To dispose of procedural matters but not, before their initial or recommended decisions, to dispose of motions made during hearings to dismiss proceedings or other motions which involve final determination of proceedings;

(8) Within their discretion, or upon direction of the Commission, to certify any question to the Commission for its consideration and disposition;

(9) To submit their initial or recommended decisions in accordance with § 1.30;

(10) To take any other action necessary or appropriate to the discharge of the duties vested in them, consistent with the statutory or other authorities under which the Commission functions and with the rules, regulations, and policies of the Commission.

(c) *Limitations.* Presiding officers shall perform no duties inconsistent with their duties and responsibilities as such. Save to the extent required for the disposition of ex parte matters as authorized by law and by the rules of the Commission, no presiding officer shall, in any proceeding in which the Commission may so direct, or in any proceeding for an adjudication required by statute to be determined on the record after opportunity for hearing, other than in determining applications for initial licenses and proceedings involving the validity or application of rates, the facilities or practices of public utilities or natural-gas companies, consult any person or party on any fact in issue unless upon notice and opportunity for all parties to participate.

(d) *Conduct of hearings.* It is the duty of the presiding officer to conduct a fair and impartial hearing and to maintain order. Any disregard by participants or counsel of his rulings on matters of order and procedure shall be noted on the record, and where he deems it necessary, shall be made the subject of a special written report to the Commission. In the event that participants or counsel should be guilty of disrespectful, disorderly or contumacious language or conduct in connection with any hearing, the presiding officer immediately may submit to the Commission his report thereon, together with his recommendations, and in his discretion suspend the hearing.

§ 1.28 *Appeals to Commission from rulings of presiding officers*—(a) *During hearing.* Rulings of presiding officers may not be appealed from during the course of hearings except in extraordinary circumstances where prompt decision by the Commission is necessary to prevent detriment to the public interest. In such instance the matter shall be referred forthwith by the presiding officer to the Commission for determination.

(b) *Offers of proof.* Any offer of proof made in connection with an objection taken to any ruling of the presiding officer rejecting or excluding proffered oral testimony shall consist of a statement of the substance of the evidence which counsel contends would be adduced by such testimony; and if the excluded evidence consists of evidence in documentary or written form or of reference to documents or records, a copy of such evidence shall be marked for identification and shall constitute the offer of proof.

§ 1.29 *Briefs and oral arguments before presiding officers and proposed findings and orders*—(a) *Briefs, when filed.* Unless waived by the parties and staff counsel with the consent of the presiding officer, whether oral argument be heard or not, at the close of the taking of testimony in each proceeding, the presiding officer shall fix the time for the filing and service of briefs, giving due regard to the nature of the proceeding, the magnitude of the record, and the complexity or importance of the issues involved; and he shall fix the order in which such briefs shall be filed. The first or initial brief shall be filed by the party or parties upon whom rests the burden of proof, except that the presid-

ing officer, when in his judgment the circumstances or exigencies require, may direct that briefs shall be filed simultaneously. In no proceeding, whether briefs are to be filed simultaneously or otherwise, shall any party upon whom rests the burden of proof be denied the right to file a reply brief.

(b) *Oral argument, when made.* When, in the opinion of the presiding officer, time permits and the nature of the proceedings, the complexity or importance of the issues of fact or law involved, and the public interest warrant, such presiding officer may, either of his own motion or at the request of a party or staff counsel at or before the close of the taking of testimony allow and fix a time for the presentation of oral argument, imposing such limits of time on the argument as deemed appropriate in the proceeding. Such argument shall be transcribed and bound with the transcript of testimony.

(c) *Contents and scope.* In oral arguments there may be presented proposed findings and conclusions and, if desired, the reasons therefor, and such proposed forms of order or rule as may be deemed requisite in view of the facts, the law, and the public interest. Briefs should contain: (1) A concise statement of the case, (2) an abstract of the evidence relied upon by the party filing, preferably assembled by subjects, with references to the pages of the record or exhibits where the evidence appears, and (3) proposed findings and conclusions and, if desired, a proposed form of order or rule, together with the reasons and authorities therefor, separately stated.

(d) *Briefs, form of.* Exhibits should not be reproduced in the brief, but may, if desired, be reproduced in an appendix to the brief. Any analyses of exhibits relied on should be included in the part of the brief containing the abstract of evidence under the subjects to which they pertain. Every brief of more than 20 pages shall contain on its front leaves a subject index, with page references, and a list of all cases cited, alphabetically arranged, with references to the pages where the citations appear. All briefs shall be as concise as possible and shall in all other respects conform to the requirements of § 1.15.

(e) *Briefs, filing and service.* Briefs not filed and served on or before the dates fixed therefor shall not be accepted for filing, except by special permission of the Commission or the presiding officer. All briefs shall be accompanied by a certificate showing service upon all parties or their attorneys who appeared at the hearing or on brief, and except where filing of a different number is permitted or directed by the Commission or presiding officer, 20 copies of each brief shall be furnished for the use of the Commission. Requests for the extension of time in which to file briefs shall conform to the requirements of § 1.13, and shall be filed at least five days before the time fixed for filing such briefs.

§ 1.30 *Decisions*—(a) *Initial decisions by presiding officers.* In proceedings in which the Commission has not presided at the reception of evidence, except as otherwise provided in this part, the presiding officer, as soon as practicable after the conclusion of the hearing and expiration of the time for filing of briefs, shall certify and file with the Secretary, for the Commission, a copy of the record of the hearing, including his report thereon. Except as otherwise provided, such presiding officer's report shall constitute the initial decision, which shall be served upon all parties, or their attorneys of record, and staff counsel, who may file exceptions in the manner and within the time provided in § 1.31.

(b) *Recommended or tentative decisions.* In proceedings in which, prior to the filing of the presiding officer's report, the Commission, with notice to the parties, directs (in specific cases or by general rule) the certification to it of the record for decision by the Commission, unless otherwise provided, the presiding officer's report shall constitute a recommended decision, except that in rule-making or determining applications for initial licenses, in lieu thereof, (1) the Commission may designate any of its responsible officers to recommend a decision, or (2) the Commission may issue a tentative decision. Such recommended or tentative decision shall be served upon all parties, or their attorneys of record, and staff counsel, who may file exceptions in the manner and within the time provided in § 1.31.

(c) *Waiver and omission of intermediate decision procedure.* (1) In lieu of any intermediate decision (initial by presiding officer, recommended by presiding officer or designated responsible officer, or tentative by the Commission), any party or staff counsel in any proceeding may request all other parties and staff counsel concurring in such request, that the Commission forthwith render the final decision. In such requests for omitting the intermediate decision procedure there shall be specified:

(i) The concurrence of the other parties and staff counsel;

(ii) Whether opportunity for presenting oral argument or filing briefs before the presiding officer or Commission is desired or waived;

(iii) Whether opportunity for presenting proposed findings and conclusions with supporting reasons therefor, is desired or waived; and

(iv) Whether the parties reserve only their rights to apply to the Commission for rehearing and to petition for judicial review of the Commission's decision or order as may be provided for by the statute under which the proceeding was initiated and conducted.

(2) In rule-making or initial licensing proceedings the Commission, with or without request or motion therefor, may render the decision upon a finding on the record that due and timely execution of its functions imperatively and unavoidably so requires.

(3) Requests for waiver and omission of the intermediate decision procedure shall be by motion filed with the Commission at any time during, but not later than five days next following, the conclusion or adjournment sine die of the hearing; shall be in writing under oath, subscribed and verified; and shall in all other respects conform to the requirements of §§ 1.12 and 1.15 to 1.17, inclusive; *Provided, however,* That during sessions of hearings in proceedings, motions for such waiver and omission may be made orally on the record before the presiding officer, who shall forthwith report the same to the Commission.

(d) *Final decisions.* All decisions of the Commission shall be final (subject only to application for rehearing provided for by the statute under which the proceeding is initiated and conducted), except tentative decisions that may be issued in rule-making or determining applications for initial licenses as herein provided. Final decisions shall include:

(1) Decisions by the Commission in proceedings in which the Commission has presided at the reception of evidence;

(2) Decisions upon appeal of intermediate decisions to the Commission by the parties or staff counsel, by filing exceptions in the manner and time provided by § 1.31, or upon review initiated by the Commission within 10 days next following the expiration of the time for filing exceptions under the aforesaid section, or such other time as the Commission may fix in specific cases;

(3) Intermediate initial or tentative decisions, upon the expiration of the time provided for an appeal to or review by the Commission without such appeal or review having been initiated;

(4) Decisions by the Commission in rule-making, or initial licensing proceedings, in which the Commission omits the intermediate decision procedure upon a finding that due and timely execution of its functions imperatively and unavoidably so requires;

(5) Decisions by the Commission in proceedings in which, under the provisions of paragraph (c) of this section all parties and staff counsel have waived or concurred in the waiving and omission of the intermediate decision procedure, and in lieu thereof have requested that the Commission forthwith render the final decision, and in which the Commission has not denied such request within 10 days next following its filing; and

(6) Decisions by the Commission in shortened proceedings as provided in § 1.32.

(e) *Rehearing only of final decisions.* No application for rehearing, provided for by the statute under which a proceeding is initiated and conducted, will be entertained by the Commission until a decision is issued and becomes final under the provisions of this section.

(f) *No participation by investigative or prosecuting officers.* In any proceeding in which the Commission may so direct or in any proceeding for an adjudication required by statute to be determined on the record after opportunity for hearing, other than applications for initial licenses or proceedings involving the validity or application of rates, facilities, or practices of public utilities or natural-gas companies, no officer, employee or agent assigned to work upon the investigation or trial of a case for the Commission or to assist in the trial thereof, shall, in that or any factually related proceeding, participate or advise as to the findings, conclusions or decision, except

as a witness or counsel in public proceedings.

(g) *Contents.* All decisions shall include a statement of (1) findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and (2) the appropriate rule, order, sanction, relief, or denial thereof. There shall be stated all facts officially noticed pursuant to § 1.26, relied upon in the decision.

(h) *Part of record.* All decisions (including initial, recommended, or tentative decisions) shall become a part of the record.

(i) *Service.* All decisions shall be filed with the Secretary who shall serve copies thereof upon all parties or their attorneys of record, including staff counsel, whose appearances have been entered pursuant to § 1.20 (e). Such service shall be by registered mail or by delivery to the parties or their attorneys, as may be appropriate, in accordance with § 1.17.

(j) *Unavailability of presiding officer.* If a presiding officer becomes unavailable to the Commission, the Commission will either designate another qualified officer to report and recommend the decision or will cause the record to be certified to it for decision, as may be deemed appropriate, giving notice to the parties or their attorneys of record.

(k) *Application of section.* This section shall apply in all proceedings required by statute to be determined on the record after opportunity for hearing.

§ 1.31 *Exceptions to intermediate decisions and briefs and oral arguments before Commission*—(a) *Exceptions, filing of.* Any party or staff counsel desiring to appeal to the Commission may, within 20 days after the service of a copy of an intermediate decision (initial or recommended by subordinates, or tentative by Commission), or such other time as may be fixed by the Commission, file exceptions thereto.

(b) *Exceptions, nature of.* Exceptions to findings and conclusions of fact shall specify the particular statements or parts to which exception is taken; shall designate, by special references, the portions of the record relied upon in support of such exceptions; shall set out specific findings and conclusions proposed in lieu thereof; and shall include any proposed additional findings and conclusions of fact. Exceptions to conclusions of law shall be specific; shall briefly cite the statutory provisions or the principal authorities relied upon; shall set forth conclusions suggested in lieu thereof; and shall include any proposed additional conclusions. Exceptions to the form of order or rule shall specify the portions thereof excepted to, and shall set forth a form of order or rule suggested in lieu of that served. Supporting reasons for the exceptions may, if desired, be included, but shall be separately stated.

(c) *Failure to except results in waiver.* Failure to file exceptions within the time allowed under this section shall constitute a waiver of all objections to the intermediate decision served. No matter not included in the exceptions filed as provided in this section may thereafter be objected to before the Commission upon brief or oral argument, or in an application for Commission rehearing; and any matter not included in such exceptions shall be deemed waived. Exceptions covering rulings admitting or excluding evidence not objected to at the time the rulings were made, will be unavailing.

(d) *Briefs and oral argument before Commission*—(1) *Hearing before Commission.* Requests for opportunity to present oral argument or to file briefs, when the Commission presides at the reception of the evidence, may be made at any time during the hearing or at the conclusion of the taking of evidence. Before adjournment sine die, the Commission will announce and fix the time for the filing of briefs, and for oral argument, if allowed.

(2) *Hearing before presiding officer.* In proceedings in which the Commission has not presided at the reception of the evidence, any party or staff counsel may file a motion requesting opportunity to present oral argument or to file briefs concerning matters before the Commission for decision, except that where exceptions have been filed, they shall constitute the brief before the Commission. Such motions may be filed at any time during a proceeding, but not later than the time permitted for the filing of exceptions to the intermediate decision: *Provided, however,* That opportunity to file briefs or to make oral argument may be requested in motions for waiver of intermediate decisions, as provided in § 1.30 (c).

(e) *Briefs and arguments, contents and scope.* When the Commission has presided at the reception of the evidence, or when the parties have waived the intermediate decision procedure, briefs and arguments before the Commission may include and present for consideration the matters as provided in § 1.29 relating to briefs and oral arguments before presiding officers, and in all other respects, as applicable, such arguments and briefs shall conform to the requirements of the aforesaid section. In all other proceedings, briefs, and oral arguments before the Commission may include those matters that may properly be included and presented in exceptions to intermediate decisions, subject to the same conditions contained in paragraph (c) of this section.

(f) *Exceptions and briefs, form and service.* Exceptions and briefs shall conform to the requirements as applicable of §§ 1.15 and 1.17, as to copies, form, and service, 15 copies thereof being filed with the Commission, in addition to the copies served on the parties to the proceedings.

§ 1.32 *Shortened procedures*—(a) *Where hearing waived.* In any proceeding in which the Commission is authorized to act after opportunity for hearing, if the parties waive hearing, such opportunity shall be deemed to have been afforded by service or publication in the FEDERAL REGISTER of notice of the application or other initial pleading, request, or other filing, such notice fixing a reasonable period of time within which any person desiring to be heard may file a protest or petition. Upon the expiration of such period of time, in the absence of a request for hearing, the Commission may forthwith dispose of the matter upon the basis of the pleadings and other submittals and the studies and recommendations of the staff. A party not requesting oral hearing in its pleadings shall be deemed to have waived a hearing for the purpose of such disposition, but shall not be bound by such waiver for the purposes of any application for rehearing with respect to an order so entered.

(b) *Noncontested proceedings.* In any proceeding required by statute to be set for hearing, the Commission when it appears to be in the public interest and to the interest of the parties to grant the relief or authority requested in the initial pleading, and to omit the intermediate decision procedure, may after a hearing during which no opposition or contest develops, forthwith dispose of the proceedings upon consideration of the pleadings and other evidence filed and incorporated in the record; *Provided,* (1) the applicant or initial pleader requests that the intermediate decision procedure be omitted and waives oral hearing and opportunity for filing exceptions to the decision of the Commission; and (2) no issue of substance is raised by any request to be heard, protest or petition filed subsequent to publication in the FEDERAL REGISTER of the notice of the filing of an initial pleading and notice or order fixing date of hearing, which notice or order shall state that the Commission considers the proceeding a proper one for disposition under the provisions of this section, and shall otherwise conform with the requirements of § 1.19. Requests for the procedure provided by this section may be contained in the initial pleading or subsequent request in writing to the Commission. The decision of the Commission in such proceeding after noncontested hearing, will be final, subject to reconsideration by the Commission upon application for rehearing as provided by statute.

§ 1.33 *Reopening proceedings*—(a) *Method of reopening*—(1) *By parties.* At any time after the conclusion of a hearing in a proceeding or adjournment thereof sine die, but before entering and issuance by the Commission of a final order or rule, any party to the proceeding or staff counsel may file with the Commission a petition to reopen the proceeding for the purpose of taking additional evidence. Such petition shall set forth clearly the facts claimed to constitute grounds requiring reopening of the proceeding, including material changes of fact or of law alleged to have occurred since the conclusion of the hearing, and shall in all other respects conform as applicable to the requirements of §§ 1.7 and 1.15 to 1.17, inclusive.

(2) *By the Commission on its own initiative.* If, after the hearing in a proceeding, the Commission shall have reason to believe that conditions of fact or of law have so changed as to require, or that the public interest requires, the reopening of such proceeding, the Commission will issue an order for the reopening of the same.

(b) *Petitions to reopen*—(1) *Notice.* Upon the filing by any party or staff counsel of such petition for the reopening of a proceeding, appropriate notice will be given any participants, or their attorneys of record who may not have been served with a copy of the petition.

(2) *Responses.* Within 10 days following the service of such petition or notice thereof, any other party to the proceeding or staff counsel may file with the Commission his answer thereto, and in default thereof shall be deemed to have waived any objection to the granting of such petition.

(3) *Commission action.* As soon as practicable after the filing of responses to such petitions or default thereof, as the case may be, the Commission will grant or deny such petition.

§ 1.34 *Application for rehearing*—(a) *Form, filing, and service.* An application for rehearing of a proceeding may be filed within 30 days after the issuance of any final decision or order by the Commission. Such application shall be made by petition, under oath, stating specifically the grounds relied upon, shall be filed with the Commission and served by the petitioner upon all parties to the proceeding or their attorneys of record, and shall in all other respects conform to the requirements of §§ 1.7 and 1.15 to 1.17, inclusive.

(b) *Specification of errors.* Such petitions for rehearing shall state concisely the alleged errors in the Commission decision or order. If an order of the Commission is sought to be vacated, reversed, or modified by reason of matters that have arisen since the hearing and decision or order, or by reason of a consequence that would result from compliance therewith, the matters relied upon by the petitioner shall be set forth in the petition.

§ 1.35 *Reports of compliance.* When any licensee, permittee, or any other person subject to the jurisdiction of the Commission is required to do or perform any act by Commission order, permit, or license provision, there shall be filed with the Commission within 30 days following the date when such requirement became effective, a notice, under oath, stating that such requirement has been met or complied with; *Provided, however,* That the Commission, by rule or order, or by making specific provision therefor in a license or permit, may provide otherwise for the giving of such notice of compliance. Such reports shall conform in all other respects to the requirements of §§ 1.15 and 1.16.

§ 1.36 *Public information*—(a) *Access to opinions, orders and rules*—(1) *Current notice.* The Commission shall cause current notice to be published in the FEDERAL REGISTER of the adoption of all final opinions or orders of the Commission in adjudicative proceedings, except those required for good cause to be held confidential and not cited as precedents, and all rules except those addressed to and served upon named persons and those published in full in the FEDERAL REGISTER in accordance with law. Where the Commission may desire to rely upon citation of any such confidential material as a precedent, it shall make available an appropriate abstract thereof, showing the principles relied upon.

(2) *Copies.* Copies of all final opinions and orders, except those required for good cause to be held confidential and not cited as precedents, and all rules, shall be available for public inspection in the Office of the Secretary and, as practicable, in the Regional Offices during regular office hours. Copies thereof shall be furnished to any person upon request to the Secretary and payment of the charge therefor, if required.

(b) *Official reports and publications.* The final opinions, and orders and rules in the nature of opinions, shall be published in the official reports of the Commission issued from time to time and, as printed and available, will be furnished to any person upon request to the Secretary and payment of the charge therefor. Other reports that may be made and published by the Commission shall be likewise available on request and payment of the prescribed charges. Such reports as published by the Commission, and its rules as contained in this chapter, may be obtained from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., upon payment of the prescribed charges.

(c) *Public records.* Save as otherwise required by law, all matters of official record, other than information held confidential for good cause found, shall be available at the principal office of the Commission in Washington, D. C., to persons properly and directly concerned, upon application to the Office of the Secretary during regular office hours. Such official records shall include all matters filed with or submitted to the Commission under the provisions of any order, rule, or regulation of the Commission or any applicable statute, as well as matters embodying Commission action. In public proceedings before the Commission the docket records relating to such proceedings and the pleadings, transcript of testimony, exhibits and all documents received in evidence or made a part of the record therein shall be likewise available for inspection and copying by the public, insofar as consistent with the proper discharge of the Commission's duties.

(d) *Other records.* The records and files of the Commission, and all documents, memoranda, correspondence, exhibits and information of whatever nature, other than the matters described in paragraph (c) of this section, coming into the possession or within the knowledge of the Commission or any of its officers or employees in the discharge of their official duties, are confidential, and none of such material or information may be disclosed, divulged, or produced for inspection or copying except that, upon good cause shown, the Commission may by order direct that certain records, files, papers, or information be disclosed to a particular applicant.

(e) *Procedure in event of subpena.* In cases in which an officer or employee of the Commission has been lawfully served with a subpena duces tecum, material designated in this section as confidential shall be produced only as authorized by the Commission. Service of such a subpena shall immediately be reported to the Commission with a statement of all relevant facts. The Commission will thereupon enter such order or give such instructions as it shall deem advisable.

§ 1.37 *Cooperative procedure with State commissions*—(a) *Policy.* (1) The Federal Power and Natural Gas Acts, sections 209 and 17, respectively, authorize cooperation between the Federal Power Commission and the State commissions of the several States in the administration of said acts, which include authorization for:

(i) Reference of any matter arising in the administration of these acts to a board to be composed of a member or members from a State or States affected, or to be affected, by the particular matters pending before the Federal Power Commission;

(ii) Conferences with State commissions regarding the relationship between rate structures, costs, accounts, charges, practices, classifications, and regulations of public utilities or natural gas companies subject to the jurisdiction of such State commissions and of the Federal Power Commission; and

(iii) Joint hearings with State commissions in connection with any matter with respect to which the Federal Power Commission is authorized to act.

(2) The matters that should be the subject of a conference, referred to a board, or heard at a joint hearing of State commissions and the Federal Power Commission, obviously, cannot be determined in advance. It is understood, therefore, that the Federal Power Commission or any State commission will freely suggest cooperation with respect to any proceeding or matter affecting any public utility or natural gas company subject to the jurisdiction of the Federal Power Commission and of a State commission, and concerning which it is believed that cooperation will be in the public interest.

(b) *Notice*—(1) *By Federal Power Commission.* (i) Whenever there shall be instituted before the Federal Power Commission any proceeding under either the Federal Power Act or the Natural Gas Act, the State commission or commissions of the State or States affected thereby will be given notice thereof immediately by the Federal Power Commission. As deemed necessary for an understanding of the subject matter, each such notice will be supplemented by copies of applications, complaints, petitions, or orders instituting proceedings. Each such notice given to a State commission will request that the Federal Power Commission be notified within a reasonable time whether the proceeding is deemed one that should be considered under the cooperative provisions of this section, and, if so, to advise the Federal Power Commission as to the nature of its interest in the matter, and further, to specify whether it desires a conference, the creation of a board, or a joint or concurrent hearing, as defined herein, and the reasons for such request.

(ii) Any commission suggesting some form of such cooperative procedure should also state whether there is pend-

ing, or will be pending before it, a proceeding in which a concurrent hearing might appropriately be held and whether its proposal is for such hearing covering any such proceeding and the proceeding pending before the Federal Power Commission.

(iii) Any State commission recommending to the Federal Power Commission reference of a proceeding to a board, under either the Federal Power or the Natural Gas Act, should state with fullness the reasons which led it to believe that such reference is desirable and in the public interest.

(iv) Upon the receipt from a State commission of a communication suggesting cooperation, the Federal Power Commission will consider the same, and may confer with the commission making the request and with other interested commissions, if any, in such manner as may be most suitable, and, if cooperation in the manner proposed, or in any other manner, shall appear to be practicable and desirable, will so advise each interested State commission, and will invite it to participate therein.

(2) *By State commission.* (i) Each State commission should, in like manner, notify the Federal Power Commission of any proceeding instituted before it, the subject matter of which is also subject to the jurisdiction of the Federal Power Commission, or in which it believes the Federal Power Commission is interested. Such notice should be supplemented by copies of applications, petitions, complaints, or orders instituting proceedings which may be necessary to an understanding of the subject matter. Such notice should include such suggestions as the State commissions may wish to make concerning cooperative procedure.

(ii) Upon receipt of such notice, the Federal Power Commission will consider the same and will promptly notify the State commission whether or not in its opinion cooperation in the manner proposed, or in any other manner, appears to be practicable and desirable. The Federal Power Commission shall be free to propose cooperative procedure, if deemed appropriate, whether or not such proposal of cooperation has been made by the State commission first giving notice of the proceeding.

(3) *Federal Power Commission or State commissions to invite participation in cooperative procedure.* In the event that cooperation in a particular proceeding has been determined upon, the Federal Power Commission or a State commission before which the proceeding is pending will so advise each interested State commission and will invite it to take part therein.

(c) *Conferences.* Inasmuch as experience has proved that informal conferences are the means most often used to enable commissions to work together to promote good regulation, affording means whereby common understandings may be reached, and the imposition of inconsistent or conflicting regulations upon companies subject to both Federal and State control may be avoided, and means whereby State commissions may secure the assistance in State regulatory work which sections 209 and 17, respectively, of the Federal Power and Natural Gas Acts authorize the Federal Power Commission to extend, any commission, Federal or State, should always feel free to suggest a conference to another commission, concerning any matter of regulation subject to the jurisdiction of either, with respect to which it is believed that a cooperative conference may be in the public interest. The commission desiring a conference upon any such matter should notify other interested commissions without delay, and thereupon the Federal Power Commission or a State commission, as may be agreed, will promptly arrange for a conference in which all interested commissions will be invited to be represented.

(d) *Procedure governing matters referred to a board.* It is believed that the statutory provisions of sections 209 and 17, respectively, of the Federal Power and Natural Gas Acts, for the reference of a proceeding to a board constituted as therein provided, were designed for use in unusual cases, and as a means of relief to the Federal Power Commission when it might find itself unable to hear and determine cases before it, in the usual course, without undue delay.

Whenever the Federal Power Commission, either upon its own motion or upon the suggestion of a State commission or at the request of any interested party, shall determine that it is desirable to refer a matter arising in the administration either of the Natural Gas Act or Part II of the Federal Power Act, to a board to be composed of a member or members from the State or States affected or to be affected by such matter, the procedure will be as follows:

The Federal Power Commission will send a request to each interested State commission to nominate a specified number of members to serve on such board. Whenever more than one State is involved, the representation of each State concerned shall be equal, unless one or more of the States affected chooses to waive such right of equal representation. The Federal Power Commission will specify the functions to be performed by such board in each instance. When the member or members of any board have been nominated and appointed in accordance with the provisions of either section 209 of the Federal Power Act or section 17 of the Natural Gas Act, the Federal Power Commission will make an order referring the particular matter to such board, and such order shall fix the time and place of hearing, define the "force and effect" the action of the board shall have, the manner in which the proceedings shall be conducted, and specify the allowances to be made for the expense of the members of the board. As far as applicable, the rules of practice and procedure as from time to time adopted or prescribed by the Federal Power Commission shall govern such board. The board shall have authority to adjourn the hearing from day to day, subpena witnesses, rule on the relevancy, competency, and materiality of evidence, and shall, after hearing all interested parties, submit its report to the Federal Power Commission.

(e) *Joint and concurrent hearings.* (1) The term "joint hearing" used in sections 209 and 17, respectively, of the Federal Power and Natural Gas Acts is understood to cover any hearing in which members of the Federal Power Commission and members of one or more State commissions may sit together in a proceeding pending before one such commission, whether or not a proceeding or proceedings involving similar or corresponding issues be pending before any other commission.

(2) Two different types of proceedings have been called "joint hearings". One is that type of proceeding where members of one or more State commissions sit with members of the Federal Power Commission for information or in an advisory capacity. The State commissioners in such case do not develop a record for their respective commissions and may or may not, at their own discretion, make a recommendation to the Federal Power Commission. The other type of joint hearing is often referred to as a "concurrent hearing". Under this procedure the Federal Power Commission and one or more State commissions sit together to hear and jointly make a record upon a matter over which all of the participating commissions have jurisdiction and responsibility for action.

(3) The Federal Power Commission or any State commission or commissions should feel free to suggest or request a joint or concurrent hearing at any time. It is believed, however, that the concurrent hearing is the type of cooperative hearing which is likely to be most useful and effective.

(4) Whenever a concurrent hearing has been agreed upon by the Federal Power Commission and one or more State commissions, the procedure will be as follows:

(i) Each commission will designate the representative or representatives of such commission to sit at such concurrent hearing, and will designate the representative who will be the presiding officer for such commission.

(ii) It will be understood that participation in such concurrent hearing shall in no way affect the complete control by each commission of the proceeding before it. It will be understood, also, that participation in either a joint or concurrent hearing shall in no way preclude any commission from causing to be presented in any such case pertinent evidence with respect to matters in issue.

(iii) The representative designated by the Federal Power Commission will be the presiding officer to announce rulings with respect to which there is no disagreement; and all such rulings shall be considered concurrent rulings. However, the presiding officer for any commission which does not concur in any ruling may announce a divergent ruling and such divergent ruling, whether with respect to the admissibility of evidence or any other matter, shall be considered the ruling for his commission.

(iv) The record of the concurrent hearing shall be the record of each commission participating, except that, if divergent rulings are made, the rulings shall be so reported as to separate and distinguish clearly the record of the respective participating commissions and the evidence admitted in each record, in accordance with the rulings of the respective presiding officers of such par-

ticipating commissions. If, in any proceeding, the ruling of one presiding officer has the effect of admitting any voluminous exhibit or testimony which is excluded by the ruling of another presiding officer, the taking of such evidence will, whenever possible be deferred until after the completion of all proceedings which can be conducted under concurrent rulings. When such testimony is taken, the transcript of such evidence will be made available to all the participating commissions, if desired.

(v) In all respects concerning which there shall be no divergence of ruling, the hearing will be conducted in accordance with the rules of practice and procedure prescribed by the Federal Power Commission, subject to the express understanding that each participating State commission shall control its own record and make its own rulings as to the admissibility of evidence and as to other matters affecting its proceedings, and shall make its own separate final decision or order therein.

(5) Before either the Federal Power Commission or a participating State commission shall enter any order or orders in a concurrent proceeding, opportunity shall be afforded for conference between the Federal Power Commission and the State commission or commissions participating.

(6) Whenever a joint hearing other than a concurrent hearing shall be agreed upon, the commissions which will take part therein shall agree upon the procedure to be followed in such hearing in advance of the opening of the same. With respect to any concurrent hearing, a special agreement may be made by the commissions taking part therein for a procedure or action differing from that outlined in this plan.

(7) Cooperation between two or more commissions in a concurrent hearing shall preclude either from taking the position of an advocate or a litigant. If a commission wishes to take such a position, it will not be appropriate for that commission to be a cooperating participant in that proceeding. In such situation the appropriate method of procedure will be intervention under § 1.8.

(f) *Intervention by State commissions.* Any interested State commission may, as a matter of right, intervene in any proceeding before the Federal Power Commission, as provided in § 1.8.

Subchapter B—Regulations Under the Federal Power Act

PART 4—LICENSES, PERMITS, AND DETERMINATION OF PROJECT COSTS

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AUTHORITY: §§ 4.1 to 4.86, inclusive, issued under secs. 9, 41 Stat. 1068, secs. 3 (13), 4, 10 (i), 23 (a), 301 (b), 308, 309, 49 Stat. 839, 844, 846, 854, 858; 16 U. S. C. 796 (13), 797, 803 (i), 816, 825 (b), 825g, 825h.

DETERMINATION OF COST OF PROJECTS CONSTRUCTED UNDER LICENSE

§ 4.1 *Initial cost statement.* When a project is constructed under a license issued under the act, the licensee shall file within 1 year after the original project is ready for service, an initial statement, under oath, with four additional conformed copies thereof, showing the amount claimed by the licensee as the actual legitimate cost of construction of the original project and the price paid for water rights, rights-of-way, lands or interests in lands, in such detail and on such forms as the Commission may prescribe or approve for that purpose. Similar statements with respect to additions and betterments to the original project, as of December 31, shall be filed annually in the same manner, before April 1 of the following year, unless the Commission shall otherwise direct. Prescribed forms for stating the cost of the original project and of additions thereto and betterments thereof will be furnished by the Commission upon application by the licensee.

§ 4.2 *Substance.* Each statement so filed shall give full, adequate, and complete information with respect to the cost of the original project or addition and betterment, as the case may be. Any statement which does not contain sufficient information will be returned to the licensee for such additional information as the Commission may deem necessary.

§ 4.3 *Report on project cost.* When a statement in satisfactory form shall have been filed with the Commission, its representatives will make an audit of the accounts, will examine and analyze the books, cost records, engineering reports, and other records supporting such statement or pertaining to the project, will inspect the project works, and will prepare a report setting forth their findings and recommendations with respect to the cost as claimed.

§ 4.4 *Service of report.* Copies of such report will be served by registered mail upon said licensees, and copies will also be sent to the State public service commission, or if the State has no regulatory agency, to the governor of the State where such project is located, and to such other parties as the Commission shall prescribe, and the report will be made available for public inspection at the time of service upon the licensee.

§ 4.5 *Time for filing protest.* Thirty days after service thereof will be allowed to such licensee within which to file a protest to such reports. If no protest is filed within the time allowed, the Commission will issue such order as may be appropriate. If a protest is filed, a public hearing will be ordered in accordance with § 1.20 of this chapter.

CROSS REFERENCE: For protests, see § 1.10 of this chapter.

§ 4.6 *Burden of proof.* The burden of proof to sustain each item of the statement of claimed cost as filed shall be upon the licensee and only such items as are in the opinion of the Commission supported by satisfactory proof may be entered in the electric plant accounts of the licensee.

§ 4.7 *Finding and final statement.* Final action by the Commission will be in the form of a finding and order entered upon its minutes and served upon all parties to the proceeding. The licensee shall thereafter file a final statement, under oath, in duplicate, with two additional conformed copies thereof, showing actual legitimate cost revised in conformity with the order of the Commission, together with a statement showing that its records have been revised in conformity with such order.

DETERMINATION OF FAIR VALUE OF CONSTRUCTED PROJECTS, UNDER SECTION 23 (A) OF THE ACT

§ 4.10 *Valuation data.* In every case arising under section 23 (a) of the act requiring the determination of fair value of a project already constructed, the licensee shall, within 6 months after the date of issuance of license, file with the Commission an inventory and appraisal in detail, as of the effective date of the license, of all property subject thereto and to be valued. Such inventory and appraisal shall also show or shall be accompanied by a statement showing the actual legitimate, or if not known, the estimated original cost of the property,

by prescribed structural and functional items and units; an estimate of the accrued depreciation segregated as to each separate major item or unit of property; and such other detail as the Commission may require in any particular case. An original, under oath, and four copies of the documents described above shall be submitted on forms to be prescribed or approved by the Commission prior to such submission.

§ 4.11 *Reports.* Representatives of the Commission will inspect the project works, engineering reports, and other records of the project, check the inventory and make an appraisal of the property and an audit of the books, records, and accounts of the licensee relating to the property to be valued, and will prepare a report of their findings with respect to the inventory, appraisal, original cost, accrued depreciation, and fair value of the property.

§ 4.12 *Service of report.* A copy of such report will be served by registered mail upon said licensee, and copies will also be sent to the State public service commission, or if the State has no regulatory agency, to the governor of the State where such project is located. The report will be made available for public inspection at the time of service upon the licensee.

§ 4.13 *Time for filing protest.* Thirty days after service thereof will be allowed to the licensee within which to file a protest to such report.

CROSS REFERENCE: For protests, see § 1.10 of this chapter.

§ 4.14 *Hearing upon report.* After the expiration of the time within which a protest may be filed, a public hearing will be ordered in accordance with § 1.20 of this chapter. The Commission after the conclusion of the hearing will make a finding of fair value, accompanied by an order which will be served upon the licensee and all parties to the proceeding. The licensee shall thereafter file a final statement, under oath, in duplicate, with two additional conformed copies thereof, showing the fair value of the project revised in conformity with the order of the Commission and showing compliance with the provisions of such order with respect to depreciation, together with a statement showing that its records have been revised in conformity with such order.

DETERMINATION OF COST OF CONSTRUCTED PROJECTS NOT SUBJECT TO SECTION 23 (a) OF THE ACT

§ 4.20 *Initial statement.* In all cases where licenses are issued for projects already constructed, but which are not subject to the provisions of section 23 (a) of the act (49 Stat. 846; 16 U. S. C. 816), the licensee shall, within 6 months after the date of issuance of license, file with the Commission an initial statement containing an inventory in detail of all property included under the license, as of the effective date of such license; showing the actual legitimate, or if not known, estimated original cost of the property by prescribed structural and functional items and units; setting forth an estimate of the accrued depreciation segregated as to each separate major item or unit of property; and supplying such other detail as the Commission may require in any particular case. An original, under oath, and four copies of such statement shall be submitted on forms prescribed or approved by the Commission prior to such submission.

§ 4.21 *Reports.* Representatives of the Commission will inspect the project works, engineering reports, and other records of the project, check the inventory and estimated depreciation, make an audit of the books, records and accounts of the licensee relating to the property under license, and prepare a report of their findings with respect to the inventory, the original cost of the property and the estimated accrued depreciation thereon.

§ 4.22 *Service of report.* Copies of such report will be served by registered mail upon said licensees, and copies will also be sent to the State public service commission, or if the State has no regulatory agency, to the governor of the State where such project is located, and to such other parties as the Commission shall prescribe, and the report will be made available for public inspection at the time of service upon the licensee.

§ 4.23 *Time for filing protest.* Thirty days after service thereof will be allowed to such licensee within which to file a protest to such reports. If no protest is filed within the time allowed, the Commission will issue such order as may be appropriate. If a protest is filed, a public hearing will be ordered in accordance with § 1.20 of this chapter.

CROSS REFERENCE: For protests, see § 1.10 of this chapter.

§ 4.24 *Determination of cost.* The Commission, after receipt of the reports, or after the conclusion of the hearing if one is held, will determine the amounts to be included in the electric plant accounts of the licensee as the cost of the property and the accrued depreciation thereon.

§ 4.25 *Finding and final statement.* Final action by the Commission will be in the form of a finding and order entered upon its minutes and served upon all parties to the proceeding. The licensee shall thereafter file a final statement, under oath, in duplicate, with two additional conformed copies thereof, showing actual legitimate cost revised in conformity with the order of the Commission, and showing compliance with the provisions of such order with respect to depreciation, together with a statement showing that its record have been revised in conformity with such order.

APPLICATION FOR LICENSE; GENERAL PROVISIONS

§ 4.30 *Who may file.* An application for license may be filed by a permittee in accordance with the provisions of his preliminary permit, or if no permit has been issued, by any citizen, association of citizens, corporation, State, or municipality desirous of obtaining a license pursuant to the act.

§ 4.31 *Manner of filing.* Each application for license shall conform to the requirements of this section and § 1.15 of this chapter. When an application which is complete and in satisfactory form is received, it will be given a filing number, receipt thereof will be acknowledged to the applicant, and notices will be given in accordance with the requirements of section 4 of the act (49 Stat. 839; 16 U. S. C., 797). Notice will also be given to the General Land Office as to the public lands affected, if any, so that withdrawals from entry may be recorded, unless such action has been taken previously in connection with a preliminary permit. When an application is received which is not complete in all respects, but which contains all information essential for the issuance of public notice and other initial action, it may be accepted for filing but the applicant will be required to furnish the missing data prior to further consideration. Failure to furnish such data within a reasonable time will constitute grounds for rejection of the application. In case any documents or exhibits required to be filed with an application are already on file with the Commission, in current form and substance, the same may be incorporated in said application by reference.

§ 4.32 *Hearing on application.* A hearing upon an application may be ordered by the Commission, in its discretion, either upon its own motion or upon the motion of any party in interest, and such proceeding shall be in accordance with the provisions of § 1.20 of this chapter.

§ 4.33 *Issuance and acceptance.* When the Commission shall have authorized the issuance of a license, the same shall be forwarded to the applicant for acceptance. If not accepted within 60 days after receipt thereof, the application will be denied unless an extension of the period is granted by the Commission upon a showing of the necessity therefor.

APPLICATION FOR LICENSE FOR PROPOSED MAJOR PROJECT OR MINOR PART THEREOF

§ 4.40 *Contents.* Each application for license for a complete project of more than 100 horsepower installed capacity, to be constructed, or for a minor part of such project shall be verified, shall conform to § 131.2 of this chapter, and shall set forth in appropriate detail the following information in the order indicated. Unless otherwise specified, the application and all accompanying documents shall be submitted in quadruplicate, with one additional copy for each interested State commission.

(a) The exact name and address of the applicant. (If the applicant desires that correspondence concerning the application be directed to any person other than the one who signs the application, the Commission should be notified of that fact and of the name and address of such other person by a statement indicating that such other person is authorized to act as agent, and that service upon him will be deemed to be service upon the applicant.)

(b) If the applicant is a corporation, the State or Territory under the laws of which the applicant was organized,

and if authorized to operate in more than one State, all pertinent facts should be stated.

(c) The measure of control or ownership, if any, exercised by applicant in any other organization or over applicant by any other organization.

(d) The name of each State in which the applicant operates or proposes to operate electric power plants or facilities.

(e) A concise general description of the project and the principal project works, including dams, reservoirs, water conduits, power houses, substations, switch yards, and transmission lines, in such detail as may be applicable.

(f) The location of the project, the region of its location designated by adjacent cities and towns, the name of the stream on which the proposed project will be located, and a statement of the extent to which commerce is carried thereon.

(g) The lands of the United States which will be affected by the proposed project, and the estimated value of such lands, based upon the most profitable use for which suited.

(h) The proposed scheme of development; also an estimate of the power available for 90 percent of the time and the proposed installed capacities, both initial and ultimate, expressed in horsepower.

(i) The proposed use or market for the power to be developed, indicating whether applicant is a public utility or will become a public utility, and if so whether it is or will be subject to regulation by any State agency. In case the applicant can give no positive assurance that there is or will be a demand for the power upon completion of construction of the project, and that it will be used or distributed by the applicant or sold to others for use or distribution, a full and complete statement and explanation shall be made of the applicant's expectations in this regard and of the basis therefor.

(j) The location and capacity of all power plants or other electric facilities owned or operated by the applicant, the market supplied thereby, and the relation thereof to the project applied for and a brief description of such other plants.

(k) Other data which the applicant may consider pertinent.

§ 4.41 *Required exhibits.* There shall be filed with the application for license and as a part thereof the following exhibits, certified in conformity with § 131.1 of this chapter:

Exhibit A. If applicant is a corporation: One copy of charter or certificate and articles of incorporation, with all the amendments thereto, duly certified by the secretary of state of the State where organized, or other proper authority, and three uncertified copies; one certified and three uncertified copies of the by-laws; and a certificate of organization in quadruplicate in conformity with § 131.3. If the project is located in another State than that in which the corporation is organized, a certificate and three copies shall be submitted from the secretary of state or other proper authority of the State in which the project is located, showing compliance with the laws relating to foreign corporations.

If the applicant is a State: Copies of the laws under authority of which the application is made, or reference thereto.

If the applicant is a municipality as defined in the Federal Power Act: One copy of its charter or other organization papers, duly certified by the secretary of state of the State in which it is located, or other proper authority, and three uncertified copies. Copies of, or reference to, the State laws authorizing the operations contemplated by the application.

If the applicant is a natural person: An affidavit by applicant that he is a citizen of the United States, and three copies thereof.

If the applicant is an association: One verified copy and three additional copies of its articles of association. If there are no articles of association, that fact shall be stated over the signature of each member of the association and three additional copies of the statement submitted. A complete list of members and a statement of the citizenship of each must be given in an affidavit by one of them, and an original and three copies submitted.

Exhibit B. Copy of all minutes, resolutions of stockholders or directors, or other representatives of the applicant, properly attested, and three additional copies, authorizing the filing of application.

Exhibit C. If special hydroelectric, water-power, or irrigation laws of the State or States involved pertain to the construction of the applicant's project, submit copies of such laws or reference thereto. (General State incorporation acts are not desired.)

Exhibit D. Evidence that the applicant has complied with the requirements of the laws of the State or States within which the project is to be located with respect to bed and banks and to the appropriation, diversion, and use of water for power purposes and with respect to the right to engage in the business of developing, transmitting, and distributing power, and in any other business, necessary to effect the purposes of the license applied for, including a certificate of convenience and necessity, if required. This evidence shall be accompanied by a statement of the steps that have been taken and the steps that remain to be taken to acquire franchise or other rights from States, counties, and municipalities before the project can be completed and put into operation.

Exhibit E. The nature, extent, and ownership of water rights which the applicant proposes to use in the development of the project covered by application, together with satisfactory evidence that the applicant has proceeded as far as practicable in perfecting its rights to use sufficient water for proper operation of the project works. A certificate from the proper State agency setting forth the extent and validity of the applicant's water rights shall be appended if practicable. In case the approval or permission of one or more State agencies is required by State law as a condition precedent to the applicant's right to take or use water for the operation of the project works, duly certified evidence of such approval or permission, or a showing of cause why such evidence cannot be reasonably submitted shall also be filed. When a State certificate is involved, one certified copy and three uncertified copies shall be submitted.

Exhibit F. Full details as to lands owned by applicant, and as to applicant's plans for acquiring title to or the right to occupy and use lands other than those owned by the applicant or by the United States, necessary or essential for carrying out the project covered by the application. If the applicant, at the time of filing application, has by easement, lease, franchise, or otherwise acquired the right to occupy and use lands owned by others, the statement should show with respect to each separate right of occupancy and use—

(1) From whom acquired.

(2) The date acquired.

(3) Nature and extent of the right acquired.

(4) Whether perpetual or limited term.

(5) If of limited term, when such term expires.

(6) For each parcel acquired, the area inside of the project boundary and the area outside of the project boundary.

Exhibit G. Statement showing the financial ability of the applicant to carry out the project applied for, together with a statement or explanation of the proposed method of financing the construction thereof.

Exhibit H. Statement of the effect of the proposed operation of the project works on the normal flow of the stream, including a statement of the minimum flow proposed to be released during periods of low water and full exposition of the relation of any proposed ponding of the flow to the conservation and utilization in the public interest of the available water resources for the purposes of power, navigation, irrigation, reclamation, flood control, and municipal water supply.

Exhibit I. Complete data upon which the estimate of power available for 90 percent of the time and the installed horsepower capacity of the project are based, including stream-flow, evaporation records, static heads, etc., a list of all present and proposed sources of power for the system of which the project will be a part, including both water-power and fuel-power plants, their approximate location and source of water, ultimate capacity of all power plants in use or proposed to be used, and the present installed capacity of constructed plants; also connections, if any, with other power systems.

Exhibit J. General map covering the entire project area, showing on a single sheet and to an appropriate scale the location of the following:

(1) Principal structures and other important features of the project, including such roads, railways, tramways, and bridges as it is proposed shall become part of the project works and be placed under the license.

(2) All transmission lines, substations, switchyards, and telephone lines, which it is proposed shall become a part of the project works and be placed under license, as well as the general layout of the transmission system, if any, with which the project may be connected, indicating prominently by appropriate symbol the portion or portions of the transmission lines or system covered by application for license.

(3) State and county lines, towns, streams, stream gaging stations, railroads, power plants, irrigation systems, and other features in the vicinity of the proposed development, information concerning which will aid in arriving at a general comprehension of the project.

(4) Reference to the detail map indicating by outline the portion shown on each sheet.

(5) If all features cannot be shown with sufficient distinctness on one sheet, two general maps may be furnished, one for the power plant and appurtenant works, and one for the transmission system. (One tracing and four blue prints. See specifications for drawings, § 4.42.)

Exhibit K. Detail map covering entire project area. Scale shall be such as to show clearly, but without unnecessary multiplicity of sheets, the essential details of surveys and of notes as to ownership or right of occupancy of lands within the project area. In general, a scale of approximately 400 feet to the inch is appropriate for features containing a relatively large amount of detail, and scales of 1,000 or 2,000 feet to the inch where there is little detail, as is frequently the case with respect to transmission and telephone lines, roads, and railways. Elevations shall be tied to Government bench marks whenever available, and shall be referred to mean sea level except that in the case of projects in navigable waters having a datum accepted

for local use by the Office of the Chief of Engineers, War Department, such local datum shall be used. If more than one sheet is used, the sheets shall be numbered consecutively, and each shall bear a small diagram showing the entire map and indicating the portions shown on each sheet. Several sections of a conduit, transmission line, telephone line, road, railway, etc., may be shown upon a single sheet, each so placed or limited as to avoid crowding or confusion. Except to the extent and in such particulars as the requirements may be expressly waived or modified by the Commission, the detail map to be filed as this exhibit shall conform to the specifications for drawings, § 4.42, and the following requirements:

(1) It shall show the project area and the project boundary.

(i) Unless satisfactory reasons are given to the contrary, the project boundary shall not be more than 200 feet (horizontal measurement) from the exterior margin (in general, high-water level) of reservoirs, nor shall the width of the project area for canals, ditches, pipe lines, transmission lines, roads, and other so-called continuous structures exceed 200 feet. The project boundary shall be shown on the map in such manner that it can be readily identified on the ground. There shall be shown the location and description of monuments and other marks with reference lines therefrom to permanent objects in accordance with good practice in land surveying.

(ii) If the project boundary is located on lands covered by the public land survey there shall be shown a reference line from the initial point of the project boundary survey by distances and bearings to an established corner if one can be identified within a distance of 2 miles. At each intersection of the project boundary with an identified line of the public land survey, there shall be shown the station number on the boundary survey, and the bearing and distance to the nearest identified corner in each direction on the public land survey line crossed, if such distance does not exceed one mile.

(iii) Field notes, or a description by metes and bounds, of the final location survey of the project boundary shall be furnished either on the map or on separate sheets to be made a part fo the exhibit, unless all courses and distances are fully and legibly shown along the plotted boundary.

(iv) Such portions of the project area as will be used for continuous structures, such as transmission lines, telephone lines, canals, roads, etc., may be described by center or offset lines of survey specifying distances of the project boundary therefrom. Such lines of survey shall be referred to the public land survey and permanent objects in a manner similar to that prescribed for the project boundary.

(v) There shall be shown the status as to ownership, and the boundary lines and area of each parcel of land within, or partly within, the project area, designating separately lands owned by the applicant, lands to be acquired by the applicant, lands for which the applicant holds rights of use and occupancy for purposes of the project, reservations (indicating separately each reservation), and public lands (indicating separately lands, full title to which remains in the United States, and lands in which the United States retains only an interest). Where the project works occupy lands not owned by the applicant, but as to which the applicant holds only as easement, franchise, lease, or other right of occupancy and use, the map shall show the nature of such right and shall give appropriate reference to exhibit F for further details.

(2) The location shall be accurately shown of all project works, such as—

(i) Dams.

(ii) Reservoirs. Show the flow lines for maximum and minimum water levels and for elevation of spillway crest, and gives tables or diagrams of areas and capacities for maximum and minimum water levels and for each contour line.

(iii) Water conduits. Show center line, grade, and elevation of bottom at each change of grade, and designate lengths of each type of conduit, i. e., flume, ditch, tunnel, pipe, etc.

(iv) Powerhouses, substations, and switchyards.

(v) Transmission lines and appurtenances, telephone lines, roads, railways, trails, tramways, and bridges.

(vi) Navigation structures.

(vii) Channel approaches to navigation structures. Indicate elevation of bottom for distances of not less than 1,000 feet above and below the structures.

(3) Show contour lines with contour intervals of not more than 10 feet for the entire project area, except such portions as will be occupied only by such project works as are enumerated in (2) (v), or as will be included in reservoirs below the minimum elevation to which the water may be drawn down. Profiles of tunnel lines may be substituted for contours along such lines.

(One tracing and four blue prints. See specifications for drawings in § 4.42.)

Exhibit L. General design drawings showing plans, elevations, and sections of all principal structures and appurtenant works or other features of the project. These drawings shall be in sufficient detail and shall be accompanied by sufficient information relating to controlling factors (such as character of foundations and explorations thereof, materials, types of construction, important elevations, water levels, etc.) to enable the Commission to have a full understanding of the project and to check safety, adequacy, and desirability in the development of the resources involved.

Scales are not specified, but it is desired that they be no larger than necessary to show clearly the information required. Drawings should be simple. Details are desired only as necessary to show features of importance in determining safety, adequacy, and suitability of design. Working drawings are not desired as part of application, but should be prepared for purposes of construction and retained as a record of the work when completed. In this exhibit shall be included—

(1) Dams and appurtenances, such as spillways, fishways, outlet works, etc.

(2) Navigation structures and approaches thereto, including locks, lock gates, operating machinery, etc.

(3) Conduits, including forebays, intake works, surge tanks, and other pressure relief devices, etc.

(4) Powerhouses and substations.

(One tracing and four blue prints. See specifications as in § 4.42.

Exhibit M. General descriptions and general specifications of mechanical, electrical, and transmission equipment and their appurtenances in sufficient detail to enable the Commission to have a full understanding of the project, to determine the installed capacity in horsepower, and to determine the safety of the project works and their adequacy and suitability for the development and utilization of the resources involved.

Exhibit N. Estimate of the cost of developing the project, segregated by principal features showing quantities, unit costs, etc., in sufficient detail for a full understanding of the elements of cost of the project. The estimate shall include all lands, flowage, and other rights, intangible, indirect, overhead, and contingent costs and shall show the total estimated cost of the complete development and of different parts thereof appropriately classified. The estimate shall also show by whom it was made.

Exhibit O. Detailed statement of the time desired for beginning and completing construction of the projects works. If the ultimate development is to be completed and put into operation in two or more parts, the time desired for beginning and completing the construction of each part shall be given.

§ 4.42 *Specifications for drawings.*[1] (See §§ 4.30 to 4.86, inclusive.) All maps and other drawings required in connection with licenses and preliminary permits shall conform to the following specifications:

(a) They shall be original black-ink drawings on tracing linen, cut to uniform size not smaller than 24 by 36 inches and not larger than 28 by 40 inches, the latter size being preferred, and shall be so drawn and lettered as to be legible when reduced by photography to 10½ inches in small dimension. Lithographed official maps issued by Federal or State agencies may be used to furnish supplemental data when desired and when so used, one copy for permanent record shall be mounted on linen.

(b) Each drawing shall have a clear border of one-half inch on three sides and 2½ inches on one of the shorter sides, which shall be the left-hand border.

(c) Each drawing shall have a numerical scale and a graphical scale, the latter not less than 6 inches in length.

(d) Each map shall have true and magnetic meridians indicated thereon.

(e) There shall be provided a space 5 by 7 inches in the lower right corner of each drawing, the upper half of which shall bear the title, scale, etc., and the lower half shall be left clear.

(f) If the project affects lands covered by the public-land survey the maps shall show the location of all lines of such survey crossing the project area, and all official subdivisions of sections including lots and irregular tracts, correctly designated as on the latest governing official plats of survey, copies of which can be obtained from the Bureau of Land Management, Washington, D. C., or examined in the local land office. If the project affects unsurveyed public lands or reservations, the protraction of townships and section lines shall be shown; such protractions whenever available to be those recognized by the agency of the United States having jurisdiction over the lands.

(g) All drawings shall be rolled, not folded, for mailing.

CROSS REFERENCE: For Bureau of Land Management regulations relating to surveys, see 43 CFR Part 280.

APPLICATION FOR LICENSE FOR CONSTRUCTED MAJOR PROJECT OR MINOR PART THEREOF

§ 4.50 *Contents.* Each application for license for a complete project of more than 100 horsepower installed capacity already constructed, or for a minor part of such project, shall be verified, shall conform to § 131.2 of this chapter, and shall set forth in appropriate detail all information and exhibits prescribed in §§ 4.40 to 4.42, inclusive, for applications for licenses for proposed major projects, except as hereinafter provided. Unless otherwise specified, the application and all accompanying exhibits shall be sub-

[1] Applicants should apply to the Commission for sample map of project area. Applications must conform to requirements of § 1.5.

mitted in quadruplicate, with one additional copy for each interested State commission. Exhibits shall be certified in accordance with § 131.4 of this chapter.

Exhibits J, K, L, and M. If the application covers project works in addition to those already constructed the maps, plans, and descriptions of the project works shall distinguish clearly in some appropriate manner the project works or parts thereof which have been constructed from those to be constructed.

Exhibit N. This exhibit shall be a statement of actual or approximate original cost of the constructed project in such detail as may be readily available and, if the application covers project works in addition to those already constructed, an estimate of the cost of such additional works. The statement of estimated cost of new construction should be segregated by principal features, showing quantities, etc., in sufficient detail for a full understanding of the elements of the cost thereof. Both statements shall include lands, flowage and other rights, intangible, indirect, overhead, and contingent costs. The statement of cost of projects already constructed is for the information of the Commission and is not to be confused with the detailed inventory and statement of cost, depreciation, etc., to be filed later.

Exhibit O. Detailed statement of the time desired for beginning and completing additional construction, if any. If the additional construction is to be completed and put in operation in two or more parts, the time desired for beginning and completing the construction of each part shall be given.

CROSS REFERENCES: For determination of fair value of constructed projects, under section 23 (a) of the act, see §§ 4.10 to 4.14, inclusive. For determination of cost of constructed projects not subject to section 23 (a) of the act, see §§ 4.20 to 4.25, inclusive.

§ 4.51 *Additional exhibits.* The following additional exhibits shall be furnished:

Exhibit P. A statement of the nature and character of the permit, right-of-way, or other authority, if any (see sec. 23 (a), 49 Stat. 846; 16 U. S. C. 816), claimed to be held by the applicant. This statement shall be accompanied by copies of or appropriate references to the legislative authority, if any, by or under which such permit, right-of-way, or authority was acquired, and if granted by an instrument in writing, certified copy of such instrument, or in lieu thereof, if such a copy is of record in any department of the United States Government at Washington, a statement to that effect and reference thereto.

Exhibit Q. A statement setting forth a brief history of the project works already constructed, giving time of commencement and of completion of construction of the several parts thereof, date of commencement of operation, and method of financing.

CROSS REFERENCE: For specifications for drawings, see § 4.42.

APPLICATION FOR LICENSE FOR MINOR PROJECT

§ 4.60 *Contents.* Each application for a license for a complete project having installed capacity of 100 horsepower or less, or for part of such project, whether constructed or to be constructed, shall conform to § 131.6 of this chapter. Unless otherwise specified, an original and three copies of the application and of all accompanying exhibits shall be submitted, with one additional copy for each interested State commission. Where the project is located in whole or in part within a national forest, the application may be filed either with the Federal Power Commission or with a regional forester of the national forest region within which the project is located. Additional information will be requested by the Commission when desired.

APPLICATION FOR LICENSE FOR TRANSMISSION LINE ONLY

§ 4.70 *Contents.* Each application for license for transmission line only shall be verified, shall conform to § 131.5 of this chapter, and shall set forth in appropriate detail the following information in the order indicated. Unless otherwise specified, the application and all accompanying documents shall be submitted in quadruplicate, with one additional copy for each interested State commission.

(a) The exact name of the applicant.

(b) If the applicant is a corporation, the State or Territory under the laws of which the applicant was organized, and if authorized to operate in more than one State; all pertinent facts should be stated.

(c) A concise general description of the transmission line or lines.

(d) The location of the project, designating the State and county, and the lands of the United States and reservations which will be affected.

(e) The proposed use or market for the power to be transmitted.

(f) The name, title, and post-office address of the person to whom correspondence in regard to the application shall be addressed.

§ 4.71 *Required exhibits.* There shall be filed with the application and as a part thereof the following exhibits, certified in conformity with § 131.4 of this chapter.

Exhibits A, B, C, and D. As prescribed by §§ 4.40 to 4.42, inclusive, for applications for licenses for proposed major projects.

Exhibits J and K. Maps conforming to the requirements of §§ 4.40 to 4.42, inclusive, for applications for proposed major projects, insofar as said requirements are applicable to transmission lines. If the application covers only part of a transmission system, exhibit J shall show the connection to the nearest substations or main transmission lines through which the project line obtains and delivers its energy and either the general map or a small key map shall show the relation of the project to the main transmission system of the applicant in that region and to any previously licensed portions of said system. In exhibit K it is necessary to furnish detailed information for only those parts of the line or lines which cross lands of the United States, it being understood that the Commission reserves the right to call for similar information with respect to other lands if deemed essential. For short lines exhibits J and K may be combined in one map.

Exhibit M. General description and specifications of the transmission line and appurtenances in sufficient detail for a full understanding of the project and for a determination of the safety and suitability of the project works.

Exhibit N. Estimate of cost of the project.

Exhibit O. Statement of time desired for beginning and completing construction of the project.

Exhibit P. (Projects already constructed.) A statement of the nature and character of the permit, right-of-way, or other authority, if any (see sec. 23 (a) of the act), claimed to be held by the applicant. This statement shall be accompanied by copies of or appropriate references to the legislative authority, if any, by or under which such permit, right-of-way, or authority was acquired, and if granted by an instrument in writing, certified copy of such instrument, or in lieu thereof, if such a copy is of record in any department of the United States Government at Washington, a statement to that effect and reference thereto.

Exhibit Q. (Projects already constructed.) A statement setting forth a brief history of the project works already constructed, giving time of commencement and of completion of construction of the several parts thereof and date of commencement of operation.

NOTE: A general favorable determination was made by the Commission April 17, 1922, covering transmission line project lands. See Note 1 to § 25.2 of this chapter.

§ 4.75 *Application for license for electric lines (11,000 volts or less) in national forests.* On October 13, 1936, the Commission ordered:

That applications duly filed with the United States Forest Service on Forest Service special-use application, form 866, for permits for the use of Forest Service lands for electric lines to operate at 11,000 volts or less shall be deemed to constitute applications for minor-part licenses for the construction, maintenance, and operation of such lines under the Federal Power Act;

That the issuance of a special-use permit by the Forest Service pursuant to an application of the aforementioned character, when two duplicate original copies of such application and special-use permit shall have been filed with the Commission within 60 days after the issuance of such permit, shall constitute prima facie evidence of the right of such applicant under the Federal Power Act to receive the license applied for and to occupy the required lands pending action by the Commission on the application;

That reasonable annual charges as fixed by the Commission for recompensing the United States for the use, occupancy, and enjoyment of its lands, shall be paid to the United States through the Commission at the end of each calendar year or within 30 days thereafter, upon bills rendered or approved by the Commission, such charges to begin as of date of the approval of the application by the Secretary of Agriculture.

CROSS REFERENCES: For application for license for proposed major project or minor part thereof, see § 4.40. For regulations of the Forest Service relating to applications for preliminary permits on licenses involving the use of Government land for water-power projects or transmitting lines, see 36 CFR 211.5. For regulations of the Forest Service relating to special-use permits, see 36 CFR 251.1 to 251.3, inclusive.

APPLICATION FOR PRELIMINARY PERMIT AND AMENDMENTS THEREOF

§ 4.80 *Who may file.* Any citizen, association of citizens, corporation, State, or municipality desirous of obtaining a license pursuant to the act for a project of more than 100 horsepower installed capacity may make application for the issuance of a preliminary permit for the purpose of enabling applicant to secure the data and perform the acts required by law for filing an application for the issuance of a license.

§ 4.81 *Manner of filing.* Applications for preliminary permits shall conform to the requirements of §§ 4.80 to 4.86, inclusive, and § 1.15 of this chapter. When an application which is complete and in

satisfactory form is received, it will be given a filing number, receipt thereof will be acknowledged to the applicant, and notices will be given in accordance with the requirements of section 4 of the act. Notice will also be given to the Bureau of Land Management as to the public lands affected, if any, so that withdrawals from entry may be recorded. When an application is received which is not complete in all respects, but which contains all information essential for the issuance of public notice and other initial action, it may be accepted for filing but the applicant will be required to furnish the missing data prior to further consideration. Failure to furnish such data within a reasonable time will constitute grounds for rejection of the application.

CROSS REFERENCE: For regulations of the Bureau of Land Management relating to withdrawal, see 43 CFR 295.1.

§ 4.82 *Contents of application.* Each application for preliminary permit shall be submitted as prescribed in § 131.10 of this chapter, and shall set forth in appropriate detail the following information in the order indicated. Unless otherwise specified, the application and all accompanying documents shall be submitted in quadruplicate, with one additional copy for each interested State commission.

(a) The exact name and address of the applicant. (If the applicant desires that correspondence concerning the application be directed to any person other than the one who signs the application, the Commission should be notified of that fact and of the name and address of such other person by a statement indicating that such other person is authorized to act as agent, and that service upon him will be deemed to be service upon the applicant.)

(b) If the applicant is a corporation, the State or Territory under the laws of which the applicant was organized, and if authorized to operate in more than one State, all pertinent facts should be stated.

(c) The measure of control or ownership, if any, exercised by or over applicant in any other organization.

(d) The name of each State in which the applicant operates or proposes to operate electric power plants or facilities.

(e) The location of the project, the region of its location designated by adjacent cities and towns, the name of the stream on which the proposed project will be located, and a statement of the extent to which commerce is carried thereon.

(f) The lands of the United States which will be affected by the proposed project.

(g) A concise general description of the project and the proposed scheme of development, including an estimate of the power available for 90 percent of the time and the proposed installed capacity expressed in horsepower.

(h) The proposed use or market for the power to be developed, indicating whether applicant is a public utility or will become a public utility, and if so, whether it is or will be subject to regulation by State agency. In case the applicant can give no positive assurance that there is or will be a demand for the power upon completion of construction of the project, and that it will be used or distributed by the applicant or sold to others for use or distribution, a full and complete statement and explanation shall be made of the applicant's expectations in this regard and of the basis therefor.

(i) The location and capacity of all power plants owned or operated by the applicant; the market supplied thereby and the relation thereof to the project applied for, and a brief description of such other plants.

(j) Such further data as the applicant may consider pertinent.

(k) (Required exhibits.) There shall be filed with the application and as a part thereof the following exhibits, certified in conformity with § 131.4 of this chapter.

Exhibit A. If the applicant is a corporation: One copy of charter or certificate, and articles of incorporation, with all the amendments thereto, duly certified by the secretary of state of the State where organized, or other proper authority, and three uncertified copies; one copy of the by-laws, duly certified, and three uncertified copies; and a certificate of organization in quadruplicate as provided in § 131.3 of this chapter. If the project is located in another State than that in which the corporation is organized, a certificate and three copies thereof shall be submitted from the secretary of state or other proper authority of the State in which the project is located, showing compliance with the laws relating to foreign corporations.

If the applicant is a State: Copies of the laws under authority of which the application is made, or reference thereto.

If the applicant is a municipality as defined in the Federal Power Act: One copy of its charter or other organization papers, duly certified by the secretary of state of the State in which it is located, or other proper authority, and three uncertified copies. Copies of, or reference to, the State laws authorizing the operations contemplated by the application.

If the applicant is a natural person: An affidavit by each applicant that he is a citizen of the United States and three copies thereof. (See § 131.10 of this chapter.)

If the applicant is an association: The association shall submit a verified copy of its articles of association, and three additional copies thereof. If there are no articles of association, that fact shall be stated over the signature of each member of the association and an original and three copies shall be submitted. A complete list of members and a statement of the citizenship of each must be given in an affidavit by one of them, together with three copies. (See § 131.10 of this chapter.)

Exhibit B. A copy of all minutes, resolutions of stockholders or directors, or other representatives of the applicant authorizing the filing of application, one copy properly attested, and three additional copies.

Exhibit C. Statement of nature and amount of data available, such as surveys, maps, plans, stream measurements, foundation explorations, etc., and of work already performed, including preliminary construction activities, such as clearing, road building, etc.

Exhibit D. Statement of nature and amount and estimated cost of work proposed to be performed under the preliminary permit, such as surveying, preparation of maps, plans, measurement of streams, exploration of foundations, or preliminary construction.

Exhibit E. Statement of nature, extent, and ownership of water rights which applicant contemplates using in the development of the project; also statement of applicant's plans with reference to perfecting water rights.

Exhibit F. Statement of ownership of lands which applicant contemplates using in the development of the project, also statement of applicant's plans with reference to acquiring lands or rights of occupancy and use thereof.

Exhibit G. Statement containing such data as the applicant desires to supply as to his ability to finance the preliminary work as well as the project applied for.

Exhibit H. A general map showing the nature of the proposed project, its principal features and their location, and the location of the project as a whole with reference to some well-known town or stream. On this map shall be placed a line indicating the approximate project boundary of the area to be occupied by the principal project works, such as, dams, reservoirs, forebays, waterways, and powerhouses, but excluding transmission lines, and if necessary in order to determine location of the project on the ground, there shall be shown on the map the approximate distances and bearings of points on the project boundary from natural objects or permanent monuments that can be readily found or recognized from descriptions thereof noted on the map, such points to be located at sufficiently frequent intervals to serve such purposes. If the project is on land covered by public land survey, such distances and bearings shall be shown from the nearest existing corners of such survey. (One tracing and four blue prints. See specifications for drawings, § 4.42.)

Exhibit I. This exhibit shall be submitted only if public lands or reservations are affected and shall be a map of the proposed project showing principal project works in a manner similar to the preceding exhibit H, except that such map shall show and shall be on a scale to present effectively the project boundary which shall be the line enclosing all quarter-quarter sections, lots, and other smallest legal subdivisions of public land survey which may be occupied or used in whole or in part by the project. It shall also show the status of lands, indicating separately lands patented, lands entered or otherwise embraced in any unperfected claim under the public land laws, unreserved public lands, and lands of each and every reservation affected. (One tracing and four blue prints. See specifications for drawings, § 4.42. If desired a single map may be submitted for exhibits H and I, provided it shows all the information required for both.)

§ 4.83 *Hearings on applications.* Hearings upon applications may be ordered by the Commission, in its discretion, either upon its own motion or upon the motion of any party in interest, and such proceeding shall be in accordance with the provisions of § 1.20 of this chapter.

§ 4.84 *Amendments.* Applications for amendments of preliminary permits shall follow the form prescribed for original applications, as far as applicable. If an application for an amendment embraces sites or areas not covered by the original permit, notice of such application will be given in the manner required for the original application. Unless otherwise specified, four copies of the application and all accompanying documents shall be submitted.

§ 4.85 *Issuance.* When the issuance of a preliminary permit or amendment thereof shall have been authorized by the Commission, a draft thereof, in triplicate will be submitted to the applicant for acceptance; and upon acceptance, such permit or amendment will be issued by

the Commission, and service will be made upon all parties in interest in accordance with § 1.17 of this chapter. If not accepted within 60 days after receipt thereof, the authorization therefor will be void unless an extension of the period is granted by the Commission upon a showing of the necessity therefor.

§ 4.86 *Construction work under permit.* Upon a satisfactory showing of reasons therefor, the Commission may authorize permittees to perform such construction work as may be necessary to maintain water rights under State law, or as may be desirable in preparation for the construction of project works; but the granting of such authority shall not be deemed to have created any equities or to have established any rights beyond what would have been created or established had such authority not been given.

PART 5—APPLICATION FOR AMENDMENT OF LICENSE

Sec.
5.1 Amendment of license.
5.2 Amendment of plans.
5.3 Extension of time.

AUTHORITY: §§ 5.1 to 5.3, inclusive, issued under sec. 13, 41 Stat. 1071, secs. 6, 10 (b), 309, 49 Stat. 841, 842, 858; 16 U. S. C. 806, 799, 803 (b), 825h.

§ 5.1 *Amendment of license.* Where a licensee desires to make a change in the physical features of the project or its boundary, and/or make an addition or betterment and/or abandonment or conversion, of such character as to constitute an alteration of the license, application for an amendment of the license shall be filed with the Commission, fully describing the changes licensee desires to make. If, after consideration of an application for amendment of the license, the Commission is of the opinion that the contemplated changes are of such character as to constitute a substantial alteration of the license, public notice of such application shall be given by an advertisement made at least 30 days prior to action upon the application. Application for amendment of license shall be submitted in quadruplicate, with one additional copy for each interested State commission, in accordance with § 131.30 of this chapter and verified.

§ 5.2 *Amendment of plans.* Application for amendment of plans for a project under license shall be filed with the Commission, fully describing the changes licensee proposes to make. (See note to § 131.30 of this chapter.)

§ 5.3 *Extension of time.* Application for extension of time fixed in the license for commencement or completion of construction of project works shall be filed with the Commission not less than 3 months prior to the date or dates so fixed. (Follow § 131.30 of this chapter.)

PART 6—SURRENDER OR TERMINATION OF LICENSE

Sec.
6.1 Application for surrender.
6.2 Surrender of license.
6.3 Termination of license.
6.4 Termination by implied surrender.
6.5 Annual charges.

AUTHORITY: §§ 6.1 to 6.5, inclusive, issued under sec. 13, 41 Stat. 1071, secs. 6, 10 (i), 309, 49 Stat. 841, 844, 858; 16 U. S. C. 806, 799, 803 (i), 825h.

§ 6.1 *Application for surrender.* Every application for surrender of a license shall state the reason therefor; and, except in the case of an application for surrender of a license for a minor project, or for a transmission line only, shall be executed by the licensee and filed in the same form and manner as the application for license; and be accompanied by the license and all amendments thereof.

CROSS REFERENCES: For application for license, general provisions, see §§ 4.30 to 4.33, inclusive, of this chapter. For application for license for proposed major project or minor part thereof, see §§ 4.40 to 4.42, inclusive, of this chapter. For application for license for constructed major project or minor part thereof, see §§ 4.50 and 4.51 of this chapter. For forms for application for licenses, see §§ 131.2 to 131.6, inclusive, of this chapter.

§ 6.2 *Surrender of license.* Licenses may be surrendered only upon the fulfillment by the licensee of such obligations under the license as the Commission may prescribe, and, if the project works authorized under the license have been constructed in whole or in part, upon such conditions with respect to the disposition of such works as may be determined by the Commission.

§ 6.3 *Termination of license.* Licenses may be terminated by written order of the Commission not less than 90 days after notice thereof shall have been mailed to the licensee by registered mail to the last address whereof the Commission has been notified by the licensee, if there is failure to commence actual construction of the project works within the time prescribed in the license, or as extended by the Commission. Upon like notice, the authority granted under a license with respect to any separable part of the project works may be terminated if there is failure to begin construction of such separable part within the time prescribed or as extended by the Commission.

§ 6.4 *Termination by implied surrender.* If any licensee holding a license subject to the provisions of section 10 (i) of the act shall cause or suffer essential project property to be removed or destroyed, or become unfit for use, without replacement, or shall abandon, or shall discontinue good faith operation of the project for a period of three years, the Commission will deem it to be the intent of the licensee to surrender the license; and not less than 90 days after public notice may in its discretion terminate the license.

§ 6.5 *Annual charges.* Annual charges arising under a license surrendered or terminated shall continue until the effective date of the Commission's order with respect to such surrender or termination.

CROSS REFERENCE: For annual charges, see Part 11.

PART 9—TRANSFER OF LICENSE OR LEASE OF PROJECT PROPERTY

APPLICATION FOR TRANSFER OF LICENSE

Sec.
9.1 Filing.
9.2 Contents of application.
9.3 Transfer.

APPLICATION FOR LEASE OF PROJECT PROPERTY

9.10 Filing.

AUTHORITY: §§ 9.1 to 9.10, inclusive, issued under secs. 8, 309, 41 Stat. 1068, 49 Stat. 858; 16 U. S. C. 801, 825h.

CROSS REFERENCE: Application for approval of transfer of license: See § 131.20 of this chapter.

APPLICATION FOR TRANSFER OF LICENSE

§ 9.1 *Filing.* Any licensee desiring to transfer a license or rights thereunder granted, and the person, association, corporation, State, or municipality desiring to acquire the same, shall jointly or severally file an application for approval of such transfer and acquisition. Such application shall be submitted in quadruplicate under oath, with one additional copy for each interested State commission, and shall conform to § 131.20 of this chapter.

§ 9.2 *Contents of application.* Every application for approval of such transfer and acquisition by the proposed transferee shall set forth in appropriate detail the qualifications of the transferee to hold such license and to operate the property under license, which qualifications shall be the same as those required of applicants for license.

CROSS REFERENCES: For administrative rules relating to applicants for license, see Part 1. For regulations as to licenses and permits, see Part 4.

§ 9.3 *Transfer.* Approval by the Commission of transfer of a license is contingent upon the transfer of title to the properties under license, delivery of all license instruments, the payment of annual charges to date, and a showing that such transfer is in the public interest. The transferee shall be subject to all the conditions of the license and to all the provisions and conditions of the act, as though such transferee were the original licensee. When the Commission shall have authorized the transfer of any license, the transferee shall file with the Commission, within 30 days after such transfer, a certified copy of the deed of conveyance or other instrument evidencing transfer of the property under license, together with evidence of the recording thereof, and within the same period annual charges to the date of transfer shall be paid, whereupon the instrument approving the transfer of license will issue.

APPLICATION FOR LEASE OF PROJECT PROPERTY

§ 9.10 *Filing.* Any licensee desiring to lease the project property covered by a license or any part thereof, whereby the lessee is granted the exclusive occupancy, possession, or use of project works for purposes of generating, transmitting, or distributing power, and the person, association, or corporation, State, or municipality desiring to acquire such project property by lease, shall file four copies of such proposed lease together with an application in quadruplicate for approval

thereof. One additional copy of the application (and proposed lease) for each interested State commission should also be filed. Such application and action thereon by the Commission will, in general, be subject to the provisions of §§ 9.1–9.3.

PART 11—ANNUAL CHARGES

Sec.
11.20 Cost of administration.
11.21 Use of Government lands.
11.22 Use of Government dams, structures, tribal lands.
11.23 Exemption of minor projects.
11.24 Exemption of States and municipalities.
11.25 Effective date.
11.26 Adjustment of annual charges.
11.27 Payment of charges.

AUTHORITY: §§ 11.20 to 11.27, inclusive, issued under secs. 10 (e), 309, 49 Stat. 843, 858; 16 U. S. C. 803 (e), 825h.

§ 11.20 *Cost of administration.* Reasonable annual charges will be assessed by the Commission against individual licensees for reimbursing the United States for the cost of administration of Part I of the Federal Power Act (49 Stat. 838; 16 U. S. C. 791–823) as follows:

(a) For projects of more than 100 horsepower of ultimate installed capacity—

(1) A charge of 1 cent per horsepower of the ultimate horsepower capacity authorized to be installed by the license; and

(2) A charge of not to exceed 3 cents per thousand kilowatt hours of energy generated by each project during the preceding fiscal year ended June 30.

To enable the Commission to determine such charges annually, each licensee shall file with the Commission, on or before September 1 of each year, a statement under oath showing the amount of energy generated (or produced by nonelectrical equipment) during the preceding fiscal year, expressed in kilowatt-hours.

(b) For projects of 100 horsepower or less of ultimate installed capacity the charge shall be $5 per annum, subject to the provisions of § 11.23.

(c) For projects involving transmission lines only the administration charge shall be a minimum of $5 per annum.

(d) For projects not covered by the above paragraphs, reasonable annual charges will be fixed by the Commission after consideration of the facts in each case.

§ 11.21 *Use of Government lands.* Reasonable annual charges for recompensing the United States for the use, occupancy, and enjoyment of its lands (other than lands adjoining or pertaining to Government dams or other structures) or its other property, will be fixed by the Commission. In fixing such charges the Commission may take into consideration such factors as commercial value, the most profitable use for which the lands or other property may be suited, the beneficial purpose for which said lands or other property have been or may be used, and such other factors as the Commission may deem pertinent. Upon reasonable notice and opportunity for hearing, such charges may be adjusted from time to time by the Commission. The annual charge for the use of lands of the United States for transmission lines only shall be at the rate of $8 per mile per annum for rights-of-way 100 feet in width, with proportional increase or decrease for rights-of-way having greater or less width. The minimum annual charge for use of Government lands under any license shall be $5.

§ 11.22 *Use of Government dams, structures, tribal lands.* Reasonable annual charges for recompensing the United States for the use of Government dams or other structures owned by the United States, and for the use, occupancy, and enjoyment of the lands of the United States adjoining or pertaining thereto, will be based upon the estimated value for power purposes of the properties and privileges for which a license is issued: *Provided, however,* That annual charges for the use of Government dams or other structures owned by the United States in reclamation projects or for use of tribal lands embraced within Indian reservations shall be determined in accordance with the provisions of section 10 (e) of the Federal Power Act.

§ 11.23 *Exemption of minor projects.* No exemption will be made from payment of annual charges for the use of Government dams or tribal lands within Indian reservations but licenses may be issued without charges other than for such use for the development, transmission, or distribution of power for domestic, mining, or other beneficial use in minor projects.

§ 11.24 *Exemption of States and municipalities.* (a) No State or municipal licensee shall be entitled to exemption from payment of annual charges on the ground that the power generated or transmitted by the licensed project is sold to the public without profit, unless such licensee shall claim such exemption before the expiration of the period allowed for the payment of the annual charges, and shall show:

(1) That it maintains an accounting system which segregates the operations of the licensed project and reflects with reasonable accuracy the cost of power generated by such project;

(2) That the revenues from the sale of power from such licensed project do not exceed the reasonable total amount of the following items:

(i) Project operating expenses, including operation, maintenance, depreciation, amortization, taxes, uncollectible revenues and rents;

(ii) Payments of interest on indebtedness, including indebtedness to municipality or other department thereof, incurred by reason of the construction or operation of the licensed project.

(b) When the power from the licensed project enters into the electric power system of the State or municipal licensee, in lieu of meeting the requirements set forth in paragraph (a) of this section such licensee may furnish the same information with respect to the properties as a whole within said electric power system and the power produced therein and sold from such system.

(c) A State or municipal licensee meeting the requirements of paragraph (a) of this section shall be entitled to exemption from payment of annual charges to the extent that power generated or transmitted by the licensed project is sold for resale to or interchanged with a corporation not operated for profit.

(d) Notwithstanding compliance by a State or municipal licensee with the requirements of paragraph (a) of this section, it shall be subject to the payment of annual charges to the extent that electric power generated by the licensed project is sold for resale to a corporation operated for profit.

(e) Notwithstanding compliance by a State or municipal licensee with the requirements of paragraph (a) of this section, it shall be subject to the payment of annual charges to the extent that electric power generated by the licensed project is supplied under an interchange agreement to a person or to a corporation organized for profit, and is not offset by a similar amount of electric power received under such interchange agreement.

(f) Application for exemption from payment of annual charges shall be signed by an authorized executive officer of the licensee and verified under oath. An original and three copies of such application and exhibit shall be filed.

CROSS REFERENCE: For form of application by municipalities for exemption from payment of annual charges, see § 131.70 of this chapter.

§ 11.25 *Effective date.* All annual charges shall commence upon the effective date of the license unless some other date or dates are fixed in the license.

§ 11.26 *Adjustment of annual charges.* All annual charges shall continue in effect as fixed, unless changed as authorized by law.

§ 11.27 *Payment of charges.* Annual charges shall be paid within 30 days from the end of each calendar year or within 30 days of rendition of a bill therefor by the Commission, whichever is later. A penalty will be imposed pursuant to the provisions of the act for delinquency in payment unless otherwise ordered by the Commission.

PART 16—APPLICATION FOR LICENSE FOR PROJECT UNDER LICENSE WHICH EXPIRES ON SPECIFIED DATE

Sec.
16.1 Contents.
16.2 Required exhibits.
16.3 Additional information.

AUTHORITY: §§ 16.1 to 16.3, inclusive, issued under sec. 15, 41 Stat. 1072, sec. 309, 49 Stat. 858; 16 U. S. C. 808, 825h.

§ 16.1 *Contents.* Each application for a new or annual license for a project already under license which is about to expire shall be submitted at least 3 months prior to the expiration of license and shall set forth in appropriate detail the following information in the order indicated. Unless otherwise specified, four copies of the application, duly verified under oath, and all accompanying documents, together with one additional conformed copy for each inter-

ested State commission, shall be submitted.

(a) The exact name of the applicant.

(b) The license number of the project.

(c) The date on which the license expires.

(d) If licensee is a corporation, list of the officers and directors.

(e) The name, title, and post-office address of the person to whom correspondence in regard to the application shall be addressed.

§ 16.2 *Required exhibits.* There shall be filed with the application, and as a part thereof, a map exhibit J as required under §§ 4.40 to 4.42, inclusive, of this chapter.

§ 16.3 *Additional information.* The Commission may require additional information when it appears to be pertinent in a particular case.

PART 20—AUTHORIZATION OF THE ISSUANCE OF SECURITIES BY LICENSEES AND COMPANIES SUBJECT TO SECTIONS 19 AND 20 OF THE FEDERAL POWER ACT

§ 20.1 *Authorization by Commission.* No licensee of the Commission which is a public-service company and no other company coming within the provisions of section 19 or section 20 of the Federal Power Act shall issue any securities maturing more than one year from the date of issue, without first complying with the provisions of §§ 34.1 to 34.10, inclusive, of this chapter, and securing the approval of the Commission to said issue; *Provided, however,* That, pursuant to sections 19 and 20 of the said act, in case a State in which such licensee or other company included within the provisions of this section is operating in the public service shall have provided a commission or other agency for the regulation and control of the amount and character of securities to be issued by such licensee or company, or in case the power or any part thereof generated by such licensee shall enter into interstate commerce and the States concerned agree, through their properly constituted authorities, on the amount or character of securities proposed for issuance by any licensee or other company coming within the provisions of section 20 of the said act, approval of the Commission is not required. (Secs. 19, 20, 41 Stat. 1063, 1073, secs. 3 (16), 309, 49 Stat. 839, 858; 16 U. S. C. 812, 813, 796 (16), 825h)

CROSS REFERENCE: For applications for authorization of the issuance of securities or the assumption of liabilities, see Part 34.

PART 24—DECLARATION OF INTENTION

§ 24.1 *Filing.* Each declaration of intention under the provisions of section 23 (b) of the act shall be filed in triplicate, with one additional copy for each interested State commission, in conformity with § 1.15 of this chapter. The declaration shall give the name and post office address of the person to whom correspondence in regard to it shall be addressed, and shall be accompanied by:

(a) A brief description of the proposed project and its purposes, including such data as height of dams, storage capacity of reservoirs, installed capacity of the project, and probable effect on present or prospective navigation.

(b) A sketch map (one tracing and two blueprints), of any convenient size and scale, showing the stream or streams to be utilized and the approximate location of the project.

(c) Statement of proposed method of operation of project and power interconnections contemplated. (Sec. 23 (b), 309, 49 Stat. 846, 858; 16 U. S. C. 817, 825h)

PART 25—APPLICATION FOR VACATION OF WITHDRAWAL AND FOR DETERMINATION PERMITTING RESTORATION TO ENTRY

Sec.
25.1 Contents of application.
25.2 Hearings.

AUTHORITY: §§ 25.1 and 25.2 issued under secs. 24, 308, 309, 49 Stat. 846, 858; 16 U. S. C. 818, 825g, 825h.

§ 25.1 *Contents of application.* An application for vacation of a reservation effected by the filing of an application for preliminary permit or license, or for a determination permitting restoration to entry under the provisions of section 24 of the act, of such lands, or lands reserved or classified as power sites, may be filed directly with the Commission at its offices in Washington, D. C., at any of its regional or field representatives' offices, or at local land offices, for forwarding to the Commission. No form is prescribed for such application, but the lands shall be described by legal subdivisions, and the applicant shall present a showing relative to the propriety of restoring such lands and the use to which it is proposed to put the lands if restored to entry.

CROSS REFERENCE: For entries subject to section 24 of the Federal Power Act, see also 43 CFR Part 103.

§ 25.2 *Hearings.* A hearing upon such an application may be ordered by the Commission in its discretion and shall be in accordance with the provisions of § 1.20 of this chapter.

NOTE 1: On April 17, 1922, the Commission made the following general determination:

(a) That where lands of the United States have heretofore been, or hereafter may be, reserved or classified as power sites, such reservation or classification being made solely because such lands are either occupied by power transmission lines or their occupancy and use for such purposes has been applied for or authorized under appropriate laws of the United States, and such lands have otherwise no value for power purposes, and are not occupied in trespass, the Commission determines that the value of such lands so reserved or classified, or so applied for or authorized, will not be injured or destroyed for the purposes of power development by location, entry, or selection under the public land laws, subject to the reservation of section 24 of the Federal Water Power Act (41 Stat. 1075; 16 U. S. C. 818).

(b) That when notice is given to the Secretary of the Interior of reservations made under the provisions of section 24 of the Federal Water Power Act, such notice shall indicate what lands so reserved, if any, may, in accordance with the determination of the preceding paragraph, be declared open to location, entry, or selection, subject to the reservation of said section 24. Second Annual Report, page 128.

NOTE 2: On February 16, 1937, the Commission took the following action:

CONSENT TO ESTABLISHMENT OF GRAZING DISTRICTS, ISSUANCE OF GRAZING PERMITS, AND LEASING FOR GRAZING PURPOSES UNDER THE ACT OF JUNE 28, 1934, AS AMENDED, GOVERNMENT LANDS RESERVED FOR POWER PURPOSES

Upon request under date of November 2, 1936, by the acting director, Division of Grazing, Department of the Interior, for consent of the Commission, pursuant to the Act of June 28, 1934 (48 Stat. 1269), to the establishment of grazing districts and the issuance of grazing permits on lands of the United States withdrawn, classified, or otherwise reserved for power purposes, except in those instances where grazing will interfere with such purposes; and

Upon request under date of December 7, 1936, by the Acting Secretary of the Interior for consent of the Commission, pursuant to the Act of June 28, 1934 (48 Stat. 1269), as amended by the Act of June 26, 1936 (49 Stat. 1976), to the leasing under section 15 of said Act as amended, of isolated tracts of lands of the United States, withdrawn for power purposes;

The Commission upon consideration of the matter finds and determines: That the establishment of grazing districts, the issuance of grazing permits, and the leasing for grazing purposes, under said Act as amended, of lands of the United States theretofore or thereafter withdrawn, classified, or otherwise reserved for power purposes, but not including lands embraced within the project area of any power project theretofore licensed by the Commission or otherwise authorized by the United States, will not injure or destroy the value of such lands for the purposes of power development nor otherwise abridge the jurisdiction of the Commission: Provided, That such grazing districts shall be established and such permits and leases for grazing permits issued subject to the following conditions:

(1) That the establishment of the grazing district or the issuance of the grazing permit or lease for grazing purposes shall in no wise diminish or affect the jurisdiction of the Commission at any time to issue permits or licenses pursuant to the provisions of the Federal Power Act (49 Stat. 838; 16 U. S. C., Sup., 791–819); and that the issuance by the Commission of a license shall immediately and automatically terminate such grazing district, permit, or lease for grazing purposes as to all lands within the project area described in such license;

(2) That the establishment of the grazing district or the issuance of the grazing permit or lease for grazing purposes involving lands withdrawn for power purposes shall in no wise diminish or affect the jurisdiction of the Commission at any time to make further determinations that the value of any of such lands for the purposes of power development will not be injured or destroyed by location, entry or selection, as provided by section 24 of the Act, and none of such lands shall be declared open, otherwise than as hereinbefore provided, to location, entry or selection except upon such further determination by the Commission; and any such further determination shall immediately and automatically terminate such grazing district, permit, or lease for grazing purposes as to any lands involved in such further determination.

Now, therefore, the Commission consents to the establishment of such grazing districts and the issuance of grazing permits and leases for grazing purposes of lands of the United States reserved for power purposes subject to the conditions hereinabove set out;

Provided, however, That this determination and consent shall be effective for lands embraced within grazing districts, as of the date of the establishment of such districts, and for isolated tracts of lands leased for

grazing purposes, it shall be in effect when such leases are issued, provided that notice thereof is received by this Commission from the Bureau of Land Management, Department of the Interior, within 30 days thereafter, such notice to include full legal description of the lands withdrawn for power purposes which are involved.

CROSS REFERENCE: For regulations of the Bureau of Land Management relating to grazing, see 43 CFR Part 160.

PART 32—INTERCONNECTION OF FACILITIES; EMERGENCIES; TRANSMISSION TO FOREIGN COUNTRY

APPLICATION FOR AN ORDER DIRECTING THE ESTABLISHMENT OF PHYSICAL CONNECTION OF FACILITIES

Sec.
32.1 Contents of application.
32.2 Required exhibits.
32.3 Other information.
32.4 Form and style; number of copies.

APPLICATION FOR EMERGENCY CONNECTIONS OF FACILITIES

32.20 Definition of emergency.
32.21 Reports of temporary connections.
32.22 Application for permanent connection for emergency use.
32.23 Reports of emergency use of permanent connections.
32.24 Form and style; number of copies.

APPLICATION FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO A FOREIGN COUNTRY

32.30 Who shall apply.
32.31 Time of filing.
32.32 Contents of application.
32.33 Required exhibits.
32.34 Other information; exceptions.
32.35 Transferability.
32.36 Authorization not exclusive.
32.37 Form and style; number of copies.
32.38 Filing rate schedules and annual reports.

APPLICATION FOR CONSTRUCTION, OPERATION, MAINTENANCE, OR CONNECTION AT INTERNATIONAL BOUNDARY, OF FACILITIES FOR TRANSMISSION OF ELECTRIC ENERGY

32.50 Who shall apply.
32.51 Contents of application.
32.52 Other information.

AUTHORITY: §§ 32.1 to 32.52, inclusive, issued under secs. 202 (b), (c), (d), (e), 309; 16 U. S. C. 824a (b), (c), (d), (e), 825h; E. O. 8202, 3 CFR Cum. Supp.

APPLICATION FOR AN ORDER DIRECTING THE ESTABLISHMENT OF PHYSICAL CONNECTION OF FACILITIES

§ 32.1 *Contents of application.* Every application under section 202 (b) of the act shall set forth the following information:

(a) The exact legal name of the applicant and of all persons named as parties in the application.

(b) The name, title, and post office address of the person to whom correspondence in regard to the application shall be addressed.

(c) The person named in the application who is a public utility subject to the act.

(d) The State or States in which each electric utility named in the application operates, together with a brief description of the business of and territory, by counties and States, served by such utility.

(e) Description of the proposed interconnection, showing proposed location, capacity and type of construction.

(f) Reasons why the proposed connection of facilities will be in the public interest.

(g) What steps, if any, have been taken to secure voluntary interconnection under the provisions of section 202 (a) of the act.

§ 32.2 *Required exhibits.* There shall be filed with the application and as a part thereof the following exhibits:

Exhibit A. Statement of the estimated capital cost of all facilities required to establish the connection, and the estimated annual cost of operating such facilities.

Exhibit B. A general or key map on a scale not greater than 20 miles to the inch showing, in separate colors, the territory served by each utility, and the location of the facilities used for the generation and transmission of electric energy, indicating on said map the points between which connection may be established most economically.

§ 32.3 *Other information.* The Commission may require additional information when it appears to be pertinent in a particular case.

§ 32.4 *Form and style; number of copies.* An application under §§ 32.1 to 32.4, inclusive, must conform to the requirements of §§ 1.15 through 1.17, inclusive, of this chapter.

APPLICATION FOR EMERGENCY CONNECTIONS OF FACILITIES

§ 32.20 *Definition of emergency.* "Emergency", as used in section 202 (d) of the Federal Power Act, is defined to mean the failure of facilities for the generation or transmission of electric energy caused by breakdown, weather conditions, acts of God, or other unforeseen occurrences, not reasonably within the power of the utility affected to prevent, resulting in the cutting off or curtailment of the electric service, or rendering such utility unable to provide adequate service for its customers.

§ 32.21 *Reports of temporary connections.* When, due to an emergency as defined in §§ 32.20 to 32.24, inclusive, any temporary connection of transmission facilities is made, all persons whose transmission facilities are thus temporarily interconnected shall give written notice in triplicate thereof to the Commission within 15 days from the date when such temporary connection was made, and state in said notice the reason for such temporary connection, and the location and character of each interconnection. Likewise, a written notice in triplicate shall be given by such parties to the Commission of the fact and date of discontinuance of such temporary connection within 15 days after such discontinuance. In cases where temporary connections are continued for more than 10 days, or temporary reconnections are made, reports in triplicate shall thereafter be made to the Commission at the end of each week as to:

(a) The location and character of each interconnection being maintained.

(b) The amount of electrical energy received and transmitted over each interconnection during each day of the week, and the consideration received or paid therefor.

(c) What steps have been taken or are being taken to relieve the conditions that made the emergency connection necessary.

Every such temporary emergency connection shall be discontinued and all such temporary construction removed or otherwise disposed of, upon the termination of the emergency, unless application is made as hereinafter provided for permanent connection for emergency use.

§ 32.22 *Application for permanent connection for emergency use.* Application for Commission approval of a permanent connection for emergency use only shall conform with the requirements of §§ 32.1 to 32.4, inclusive, and, in addition, shall state in full the reasons why such permanent connection for emergency use is necessary in the public interest.

§ 32.23 *Reports of emergency use of permanent connections.* Where the Commission has authorized permanent connection for emergency use only, weekly reports shall be made to the Commission of any emergency use of such facilities showing:

(a) The location of each interconnection in service.

(b) The date such use commenced and ended.

(c) Full facts and details making the use of the interconnection necessary.

(d) The amount of electrical energy received and transmitted over each interconnection during each day of the week, and the consideration received or paid therefor.

(e) What steps have been taken or are being taken to relieve the condition that made the emergency use of the connection necessary.

§ 32.24 *Form and style; number of copies.* Applications under §§ 32.30 to 32.38, inclusive, shall conform to the requirements of §§ 1.15 through 1.17, inclusive, of this chapter.

APPLICATION FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO A FOREIGN COUNTRY

§ 32.30 *Who shall apply.* The owner of a source of supply of electric energy who proposes to transmit any portion of such energy from the United States to a foreign country or who has entered or proposes to enter into a contract for the sale of electric energy to be so transmitted, and the transmitter thereof, are necessary parties to an application for the authorization sought under this rule.

In connection with applications hereunder, attention is directed to the provisions of §§ 32.50 to 32.52, inclusive, relative to applications for Presidential Permits for the construction, operation, maintenance, or connection, at the borders of the United States, of facilities for the transmission of electric energy between the United States and a foreign country in compliance with Executive Order No. 8202, dated July 13, 1939.

§ 32.31 *Time of filing.* Each application shall be made at least 30 days in advance of the proposed transmission, except where otherwise ordered by the Commission for good cause shown, and the original application shall be signed and verified under oath by an executive officer or officers of the applicant or ap-

plicants having knowledge of the matters therein set forth.

§ 32.32 *Contents of application.* Every application shall set forth in the order indicated the following:

(a) The exact legal name of the applicant.

(b) The name, title, and post-office address of the person to whom correspondence in regard to the application shall be addressed.

(c) The State or Territory under the laws of which the applicant was organized. If incorporated under the laws of, or authorized to operate in more than one State, all pertinent facts should be included.

(d) The name of the purchaser of the energy, its proposed use in the foreign country, and the rates proposed to be charged to the foreign purchaser together with rates charged by the applicant for similar service if rendered in the United States.

(e) A statement of the source, amount, and nature of the energy to be so transmitted, the point of delivery, voltage, phase, and frequency, and the facilities to be used both in the generation and transmission of such energy.

(f) The amount of electric energy transmitted into the United States from a foreign country by the applicant, its source and nature, how and where it is used, and the rates paid for such energy.

(g) Statement of the reasons why the proposed transmission would not impair the sufficiency of electric supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of the Commission.

§ 32.33 *Required exhibits.* There shall be filed with the application and as a part thereof the following exhibits:

Exhibit A. Copy of agreement under which the energy is to be transmitted and all other written instruments pertaining thereto. (Every agreement entered into in the future shall contain a provision that in case of war or other emergency, as provided in section 202 of the act, the same is terminable upon the order of the Commission.)

Exhibit B. A showing, including signed opinion of counsel, that such transmission of energy is within the corporate powers of the applicant, and that the applicant has complied with State laws.

Exhibit C. A general or key map on a scale not greater than 20 miles to the inch, showing the location of the facilities used for the generation and transmission of electric energy to be transmitted. Whenever possible, this map should not be over 30 inches in its largest dimension. The map should indicate with particularity the facilities owned by the owner of the source of supply and those owned by the transmitter of the electric energy.

Exhibit D. Where an applicant resides or has its principal office without the United States, such applicant shall designate by irrevocable power of attorney an agent residing within the United States upon whom service of notice and process with respect to transmission of electric energy may be had; copies of such power of attorney shall be furnished, one of which shall be verified.

Exhibit E. Photostatic, or certified copy of articles of incorporation and bylaws of applicant company.

Exhibit F. A detailed statement of the financial and corporate relationship existing between applicant and any other person or corporation.

Any exhibit required by this section already on file with the Commission may be incorporated by reference.

§ 32.34 *Other information; exceptions.* Where the application is for authority to export less than 1,000,000 kilowatt-hours annually, applicants need not furnish the information called for in § 32.32 (e), and § 32.33, exhibit C. The applicant shall be prepared within 2 weeks after filing the application to furnish such additional information as the Commission may deem pertinent.

§ 32.35 *Transferability.* Authorization to transmit electric energy from the United States to a foreign country granted by order of the Commission under §§ 32.30 to 32.38, inclusive, pursuant to section 202 (e) of the Federal Power Act shall not be transferable or assignable. The Commission order granting the authorization may, however, provide that the authorization shall continue in effect temporarily for a reasonable time thereafter in the event of the involuntary transfer of facilities used thereunder by operation of law (including such transfers to receivers, trustees, or purchasers under foreclosure or judicial sale) pending the making of an application for permanent authorization and decision thereon, provided notice is promptly given in writing to the Commission accompanied by a statement that the physical facts relating to sufficiency of supply, rates, and nature of use remain substantially the same as before the transfer and as stated in the initial application for such authorization.

The Commission may also, at any time subsequent to the original order of authorization, from time to time, after opportunity for hearing, make such supplemental orders in the premises as it may find necessary or appropriate.

§ 32.36 *Authorization not exclusive.* No authorization granted pursuant to section 202 (e) of the act shall be deemed to prevent authorization being granted to any other person to transmit electric energy for the same use, or to prevent any other person from making application for such authorization.

§ 32.37 *Form and style; number of copies.* Applications under §§ 32.30 to 32.38, inclusive, shall comply with §§ 1.15 through 1.17, inclusive, of this chapter.

§ 32.38 *Filing rate schedules and annual reports.* Persons authorized to transmit electric energy from the United States shall file all rate schedules, supplements, notices of succession in ownership or operation, notices of cancellation, and certificates of concurrence with respect to such energy in the form and manner specified in the provisions of §§ 35.1 to 35.12, inclusive, of this chapter.

APPLICATION FOR CONSTRUCTION, OPERATION, MAINTENANCE, OR CONNECTION AT INTERNATIONAL BOUNDARY, OF FACILITIES FOR TRANSMISSION OF ELECTRIC ENERGY

§ 32.50 *Who shall apply.* Any person, firm, or corporation contemplating the construction of, or who is operating or maintaining facilities at the borders of the United States, for the transmission of electric energy between the United States and a foreign country, shall file with the Commission an application for a Presidential Permit, in compliance with Executive Order 8202, dated July 13, 1939.

In connection with applications hereunder, attention is directed to the provisions of §§ 32.30 to 32.38, inclusive, relative to applications for authorization to transmit electric energy from the United States to a foreign country under section 202 (e) of the Federal Power Act.

§ 32.51 *Contents of application.* Every application shall set forth in the order indicated, the following:

(a) Information regarding applicant:

(1) The exact legal name of applicant;

(2) The name, title, and post office address of the person to whom correspondence in regard to the application shall be addressed;

(3) If applicant is a corporation: Copy of articles of incorporation and by-laws; the amount and classes of capital stock; nationality of officers, directors and stockholders and the amount and class of stock held by each;

(4) Is applicant company, or its transmission lines, owned wholly or in part by any foreign government or directly, or indirectly subventioned by any foreign government; or, has applicant company any understanding for such ownership by or subvention from any foreign government? If so, give full details;

(b) A general or key map on a scale not greater than 20 miles to the inch, showing the physical location and giving a full description of the facilities employed, or to be employed in the transmission of electric energy between the United States and a foreign country. The map should indicate with particularity the ownership of the facilities at or on each side of the border between United States and the foreign country.

(c) Statement describing every existing contract that applicant has with a foreign government, or private concerns, which in any way relate to the control or fixing of rates for the purchase, sale or transmission of electric energy and which may serve in any way to restrict or prevent competing American companies from extending their activities; also, attach certified copies of such contracts;

(d) Copies of every landing license, or permit, which has been granted applicant, or any predecessor, by a foreign government or by any of its agencies, in connection with the transmission of electric energy between the United States and a foreign country.

§ 32.52 *Other information.* The applicant shall furnish such additional information, in connection with the application, as the Commission may deem pertinent.

PART 33—APPLICATION FOR SALE, LEASE, OR OTHER DISPOSITION, MERGER OR CONSOLIDATION OF FACILITIES, OR FOR PURCHASE OR ACQUISITION OF SECURITIES OF A PUBLIC UTILITY

Sec.

33.1 Applicability.
33.2 Contents of application.
33.3 Required exhibits.
33.4 Additional information.
33.5 Form and style.

Sec.
33.6 Number of copies.
33.7 Verification.
33.8 Reports.
33.9 Public notice.
33.10 Commission action.

AUTHORITY: §§ 33.1 to 33.10, inclusive, issued under secs. 203, 308, 309, 49 Stat. 849, 858; 16 U. S. C. 824b, 825g, 825h.

CROSS REFERENCES: Rules of practice and procedure: See Part 1 of this chapter. Forms under rules of practice and regulations, Federal Power Act: See Part 131 of this chapter.

§ 33.1 *Applicability.* The requirements of this part will apply to public utilities seeking authority under section 203 of the Federal Power Act.

§ 33.2 *Contents of application.* Each such applicant shall set forth in its application to the Commission, in the manner and form and in the order indicated, the following information which should, insofar as possible, be furnished as to said applicant and each company whose facilities or securities are involved:

(a) The exact name and the address of the principal business office.

(b) The State or other sovereign power under which incorporated, the respective dates of incorporation, and the States in which domesticated.

(c) Name and address of the person authorized to receive notices and communications in respect to application.

(d) The names, titles, and addresses of the principal officers.

(e) A description of the general character of the business done and to be done, together with a designation of the territories served, by counties and States.

(f) A general statement briefly describing the facilities owned or operated for transmission of electric energy in interstate commerce or the sale of electric energy at wholesale in interstate commerce.

(g) A brief reference to any license from the Federal Power Commission.

(h) A statement as of the date of the balance sheet submitted with application showing for each class and series of capital stock:

(1) Brief description.

(2) The amount authorized (face value and number of shares).

(3) The amount outstanding (exclusive of any amount held in the treasury).

(4) Amount held as reacquired securities.

(5) Amount pledged.

(6) Amount owned by affiliated corporations.

(7) Amount held in any fund.

(i) A statement as of the date of the balance sheet submitted with application showing for each class and series of funded debt:

(1) Brief description.

(2) The amount authorized.

(3) The amount outstanding (exclusive of any amount held in the treasury).

(4) Amount held as reacquired securities.

(5) Amount pledged.

(6) Amount owned by affiliated corporations.

(7) Amount in sinking and other funds.

(j) Whether the application is for disposition of facilities by sale, lease, or otherwise, a merger or consolidation of facilities, or for purchase or acquisition of securities of a public utility, also a description of the consideration, if any, and the method of arriving at the amount thereof.

(k) A statement of facilities to be disposed of, consolidated, or merged, giving a description of their present use and of their proposed use after disposition, consolidation, or merger. State whether the proposed disposition of facilities or plan for consolidation or merger includes all the operating facilities of the parties to the transaction.

(l) A statement of the book cost and original cost, if known, of the facilities involved, in the case of the sale, lease, or other disposition of, or merger or consolidation of facilities. If the value of such facilities has been fixed or found by a court or commission, such value should also be shown together with the amounts of additions, retirements, adjustments, etc., from date of valuation to date of the balance sheet (see § 131.40 of this chapter) accompanying the application.

If original cost is not known, an estimate of original cost based, insofar as possible, upon records or data of the applicant or its predecessors must be furnished, together with a full explanation of the manner in which such estimate has been made, and a description and statement of the present custody of all existing pertinent data and records. A statement showing the cost of all additions and betterments, and retirements from the date as of which the original cost is shown should also be furnished.

(m) A statement as to the effect of the proposed transaction upon any contract for the purchase, sale, or interchange of electric energy.

(n) Names and addresses of counsel who have passed upon the legality of the proposed sale, lease or other disposition of facilities, or merger or consolidation of facilities, or purchase or acquisition of securities of a public utility, and names and addresses of any firms of which they, or any of them, are members.

(o) A statement as to whether or not any application with respect to the transaction or any part thereof is required to be filed with any other Federal or State regulatory body.

(p) The facts relied upon by applicants to show that the proposed disposition, merger, or consolidation of facilities or acquisition of securities will be consistent with the public interest.

(q) A brief statement of franchises held, showing date of expiration if not perpetual.

§ 33.3 *Required exhibits.* There shall be filed with the application as part thereof one certified copy and five uncertified copies of exhibits A, B, C, and D, and one certified copy and five uncertified copies plus one for each State affected of exhibits E, F, G, H, I, J, K, L, and M, described as follows:

Exhibit A. A copy of the charter or articles of incorporation with amendments to date.

Exhibit B. A copy of the by-laws with amendments to date.

Exhibit C. Copies of all resolutions of directors authorizing the proposed disposition, merger, or consolidation of facilities, or acquisition of securities, in respect to which the application is made, and, if approval of stockholders has been obtained, copies of the resolutions of the stockholders should also be furnished.

Exhibit D. Copies of all mortgages, trusts, deeds, or indentures, securing any obligation of each party to the transaction.

Exhibit E. A signed copy of opinion of counsel in respect to legality of the proposed transaction.

Exhibit F. A statement of the measure of control or ownership exercised by or over each party to the transaction as to any public utility, or bank, trust company, banking association, or firm that is authorized by law to underwrite or participate in the marketing of securities of a public utility, or any company supplying electric equipment to such party. Where there are any intercorporate relationships through holding companies, ownership of securities or otherwise, the nature and extent of such relationship; also state whether any of the parties to the transaction have officers or directors in common. If not a member of any holding company system, include a statement to that effect.

Exhibit G. Balance sheets with supporting fixed capital or plant schedules in conformity with §§ 131.40 and 131.41 of this chapter.

Exhibit H. A statement of all known contingent liabilities except minor items such as damage claims and similar items involving relatively small amounts, as of the date of the application.

Exhibit I. Comparative income statements in conformity with § 131.42 of this chapter.

Exhibit J. An analysis of surplus for the period covered by the income statements referred to in exhibit I.

Exhibit K. A copy of each application and exhibit filed with any other Federal or State regulatory body in connection with the proposed transaction, and if action has been taken thereon, a certified copy of each order relating thereto.

Exhibit L. A copy of all contracts in respect to the sale, lease, or other proposed disposition, merger or consolidation of facilities, or purchase of securities, as the case may be, together with copies of all other written instruments entered into or proposed to be entered into by the parties to the transaction pertaining thereto.

Exhibit M. A general or key map on a scale of not more than 20 miles to the inch showing in separate colors the properties of each party to the transaction, and distinguishing such parts of them as are included in the proposed disposition, consolidation or merger. The map should also clearly indicate all interconnections and the principal cities of the area served. Whenever possible, the map should not be over 30 inches in its largest dimension.

NOTE: If exhibits A, B, and D have previously been filed with the Commission, a specific reference thereto will be accepted in lieu of a separate filing in each subsequent proceeding.

§ 33.4 *Additional information.* The Commission may require additional information when it appears to be pertinent in a particular case.

§ 33.5 *Form and style.* Applications under this part shall conform to the requirements of § 1.15 of this chapter.

§ 33.6 *Number of copies.* An original and five copies, plus one copy for each State affected, of applications under this part shall be submitted.

§ 33.7 *Verification.* The original application shall be signed by a person or

persons having authority with respect thereto and having knowledge of the matters therein set forth, and shall be verified under oath.

§ 33.8 *Reports.* Upon the granting of any application under this part by the Commission, applicants shall report to the Commission under oath within 10 days after any sale, lease, or other disposition of facilities, merger or consolidation of facilities, or purchase or acquisition of securities of a public utility, the fact of such sale, lease, or other disposition of facilities, merger or consolidation of facilities, or purchase or acquisition of securities, and the terms and conditions thereof.

§ 33.9 *Public notice.* The Commission may require the applicant to give such local notice by publication as the Commission in its discretion may deem proper.

§ 33.10 *Commission action.* Application under this part will ordinarily require 45 days after the date of filing before final action can be taken thereon by the Commission, to allow for such preliminary study, investigation, public notice, opportunity for hearing, and consideration by the Commission, as may be appropriate in the premises.

PART 34—APPLICATION FOR AUTHORIZATION OF THE ISSUANCE OF SECURITIES OR THE ASSUMPTION OF LIABILITIES

Sec.

34.1 Applicability.
34.2 Contents of application.
34.3 Required exhibits.
34.4 Additional information.
34.5 Form and style.
34.6 Number of copies.
34.7 Verification.
34.8 Reports.
34.9 Commission action.
34.10 Publicity.

CERTIFICATE OF NOTIFICATION

34.20 Time of filing.
34.21 Additional information.
34.22 Form and style.
34.23 Number of copies.
34.24 Verification.

AUTHORITY: §§ 34.1 to 34.24, inclusive, issued under secs. 19, 20, 41 Stat. 1072, 1073, secs. 3 (16), 203, 204, 305, 308, 309, 49 Stat. 839, 849, 850, 856, 858; 16 U. S. C. 796 (16), 812, 813, 824b, 824c, 825d, 825g, 825h.

CROSS REFERENCES: Rules of practice and procedure: See Part 1 of this chapter. Forms under rules of practice and regulations, Federal Power Act: See Part 131 of this chapter.

§ 34.1 *Applicability.* The requirements of this part will apply to licensees seeking authority under sections 19 and 20 (41 Stat. 1073; 16 U. S. C. 812, 813) and to public utilities seeking authority under section 204 of the Federal Power Act (49 Stat. 850; 16 U. S. C. 824c).

§ 34.2 *Contents of application.* Every such applicant shall set forth in its application to the Commission, in the manner and form and in the order indicated, the following information which, in the case of the assumption of a liability, shall be furnished as to both the issuer and the person assuming liability:

(a) The exact name of the applicant and address of its principal business office.

(b) The State or other sovereign power under which incorporated, the date of incorporation, and the States in which domesticated.

(c) Name and address of person authorized to receive notices and communications in respect to application.

(d) The names, titles, and addresses of the principal officers of the applicant.

(e) A description of the general character of the business done and to be done, together with a designation of the territories served. A map showing the territories served is desirable.

(f) A general statement briefly describing the facilities owned or operated by the applicant for transmission of electric energy in interstate commerce or the sale of electric energy at wholesale in interstate commerce.

(g) A brief reference to any license held by the applicant from the Federal Power Commission.

(h) A statement as of the date of the balance sheet submitted with application showing for each class and series of capital stock:

(1) Brief description.

(2) The amount authorized (face value and number of shares).

(3) The amount outstanding (exclusive of any amount held in the treasury).

(4) Amount held as reacquired securities.

(5) Amount pledged by applicant.

(6) Amount owned by affiliated corporations.

(7) Amount held in any fund.

(i) A statement as of the date of the balance sheet submitted with application showing for each class and series of funded debt:

(1) Brief description.

(2) The amount authorized.

(3) The amount outstanding (exclusive of any amount held in the treasury).

(4) Amount held as reacquired securities.

(5) Amount pledged by applicant.

(6) Amount owned by affiliated corporations.

(7) Amount in sinking and other funds.

(j) A full description of the securities proposed to be issued or the liabilities to be assumed, showing:

(1) Kind and nature of securities or liabilities.

(2) Amount (face value and number of shares).

(3) Interest or dividend rate, if any.

(4) Date of issue and date of maturity.

(5) Voting privileges, if any.

(k) Statement as to underwriter's and finder's fees, if any, as follows:

(1) The respective name and address of each underwriter, the respective amount underwritten, and the amount of the underwriter's fee therefor;

(2) The respective name and address of each known person receiving or entitled to a fee (other than an underwriter's fee) paid for services (other than attorneys, accountants and similar technical services) in connection with the negotiation or consummation of an acquisition, issue or sale of securities, or for services in securing underwriters, sellers or purchasers of securities (which fee shall be referred to herein as a finder's fee) and the amount of such finder's fee;

(3) The affiliation, direct or indirect, through directors, officers, or stockholders, or through ownership of securities or otherwise, existing between applicant and any such underwriter or finder;

(4) Facts showing that the applicant has, in an adequate manner, publicly called for and has made appropriate and diligent effort to obtain competitive bids in connection with the underwriting and sale of the securities issued, which is the subject of the application, by publication or otherwise, and that the underwriter's bid accepted was not less favorable than that of any other bidder; or

(5) Facts showing that such effort was without results necessitating other methods of underwriting; and that

(i) The fee to be paid does not exceed the customary fee for similar services where the parties are dealing at arm's length;

(ii) The service rendered is necessary;

(iii) The remuneration is reasonable in view of the cost of rendering the service, the time spent thereon and any other relevant factors;

(6) In case a finder's fee is involved, the facts showing the necessity for the employment of the finder, the services rendered and the reasonableness of the fee.

(l) A statement showing both in total amount and per unit the price to the public, underwriting commissions, and net proceeds to the applicant. Supply also the information (estimated, if necessary) required in § 131.43 of this chapter. If the securities are to be issued directly for property, then a full description of the property to be acquired, its location, its original cost (if known) and fair value by accounts, and a statement as to who determined the fair value, together with the identification of the person from whom the property is to be acquired.

If original cost is not known, an estimate of original cost based, insofar as possible, upon records or data of the applicant or its predecessors must be furnished, together with a full explanation of the manner in which such estimate has been made, and a description and statement of the present custody of all existing pertinent data and records. A statement showing the cost of all additions and betterments and retirements, from the date as of which the original cost is shown should also be furnished.

(m) Purposes for which the securities are to be issued. If the purpose is the construction, completion, extension, or improvement of facilities, a description of such facilities and the cost thereof in reasonable detail shall be submitted. If the purpose is the reimbursement of the treasury of the applicant for expenditures against which securities have not been issued, a statement must be submitted giving a general description of such expenditures, the amounts and accounts to which charged, the associated credits, if any, and the periods during which the expenditures were made. If the purpose is the refunding of obligations, a full description of the obligations to be refunded, including the character, principal amounts, discount or premium

applicable thereto, date of issue and date of maturity, and all other material facts concerning such obligations must be given.

(n) Name and address of counsel who have passed upon the legality of the proposed issue or assumption of liability, and names and addresses of any firms of which they, or any of them, are members.

(o) A statement as to whether or not any application, registration statement, etc., with respect to the transaction or any part thereof is required to be filed with any other Federal or State regulatory body.

(p) The facts relied upon by the applicant to show that the issue or assumption (1) is for some lawful object within the corporate purposes of the applicant and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and which will not impair its ability to perform that service, and (2) is reasonably necessary or appropriate for such purposes.

(q) A brief statement of all rights to be a corporation, franchises, permits, and contracts for consolidation, merger, or lease included as assets of the applicant or any predecessor thereof, the amounts actually paid as consideration therefor, respectively, and the facts relied upon to show that the issuance of the securities for which approval is requested will not result in the capitalization of the right to be a corporation or of any franchise, permit or contract for consolidation, merger, or lease in excess of the amount (exclusive of any tax or annual charge) actually paid as the consideration for such right, franchise, permit or contract.

§ 34.3 *Required exhibits.* There shall be filed with the application as part thereof one certified copy and five uncertified copies of exhibits A, B, C, and D, and one certified copy and five uncertified copies plus one for each State affected of exhibits E, F, G, H, I, J, K, and L, described as follows:

Exhibit A. A copy of the applicant's charter or articles of incorporation with amendments to date.

Exhibit B. A copy of the by-laws with amendments to date.

Exhibit C. Copies of all resolutions of directors authorizing the issue or assumption of liability in respect to which the application is made and, if approval of stockholders has been obtained, copies of the resolution of the stockholders should also be furnished.

Exhibit D. Copies of mortgage, indenture, or other agreement under which it is proposed to issue the securities, also, a copy of any mortgage, indenture, or other agreement securing other funded obligations of the applicant.

Exhibit E. A signed copy of opinion of counsel in respect to legality of the issue or assumption of liability.

Exhibit F. A statement of the measure of control or ownership exercised by or over the applicant as to any public utility, or bank, trust company, banking association, or firm that is authorized by law to underwrite or participate in the marketing of securities of a public utility, or any company supplying electric equipment to such applicant. Where there are any intercorporate relationships through holding companies, ownership of securities or otherwise, the nature and extent of such relationship. If not a member of any holding company system include a statement to that effect.

Exhibit G. Balance sheets with supporting fixed capital or plant schedules in conformity with the form in §§ 131.40 and 131.41 of this chapter.

Exhibit H. A statement of all known contingent liabilities except minor items such as damage claims and similar items involving relatively small amounts, as of the date of the application.

Exhibit I. Comparative income statements in conformity with the form in § 131.42 of this chapter.

Exhibit J. An analysis of surplus for the period covered by the income statements referred to in exhibit I.

Exhibit K. (1) A copy of registration statement proper, if any, and financial exhibits made a part thereof, filed with the Securities and Exchange Commission; (2) a copy of each application and exhibit filed with any State regulatory body in connection with the proposed transaction and if action has been taken thereon a certified copy of each order relating thereto.

NOTE: The information required by exhibit K shall be filed as soon as available.

Exhibit L. A copy of all contracts, underwritings, and other arrangements providing for the sale or marketing of the securities. If such contracts, etc., are not in such final form as to permit filing, an identification of the parties thereto and proposed major terms thereof should be submitted.

NOTE: If exhibits A, B, and D have previously been filed with the Commission, a specific reference thereto will be accepted in lieu of a separate filing in each subsequent proceeding.

§ 34.4 *Additional information.* The Commission may require additional information when it appears to be pertinent in a particular case.

§ 34.5 *Form and style.* Applications under §§ 34.1 to 34.10, inclusive, shall conform to the requirements of § 1.15 of this chapter.

§ 34.6 *Number of copies.* An original and five copies, plus one copy for each State affected, of applications under §§ 34.1 to 34.10, inclusive, shall be submitted.

§ 34.7 *Verification.* The original application shall be signed by a person having authority with respect thereto and having knowledge of the matters therein set forth, and shall be verified under oath.

§ 34.8 *Reports.* Upon the granting of any application under §§ 34.1 to 34.10, inclusive, by the Commission, the applicant shall report to the Commission under oath, within 10 days after any such issue or assumption of liability, the fact of such issue or assumption of liability, the terms and conditions thereof and any amount realized from such issue. The applicant shall further make reports within 15 days after every June 30 and every December 31 showing for the 6 month period ended on the above dates the proceeds realized from the sale, and the disposition of any money to be realized, until the entire proceeds shall have been accounted for. A report in the form outlined in § 131.43 of this chapter showing the face value, the proceeds and the expenses (itemized) of the issue shall be made at the earliest practicable date.

§ 34.9 *Commission action.* Application under §§ 34.1 to 34.10, inclusive, will ordinarily require 30 days after the date of filing before final action can be taken thereon by the Commission, to allow for such preliminary study, investigation, public notice, opportunity for hearing, and consideration by the Commission, as may be appropriate in the premises.

§ 34.10 *Publicity.* In any document, prospectus, or publicity relating to the offering or sale of securities hereunder, any reference to the authorization by the Commission of the issuance of such securities shall include a qualifying statement to the effect that the Commission's authorization was subject to the provision that such authorization shall not be construed to imply any guarantee or obligation on the part of the United States in respect of such securities.

CERTIFICATE OF NOTIFICATION

§ 34.20 *Time of filing.* The facts relating to any transaction to which section 204 (e) of the act is applicable shall be reported to the Commission within 10 days after the date of such transaction in accordance with § 131.50 of this chapter.

§ 34.21 *Additional information.* The Commission may require additional information when it appears to be pertinent in a particular case.

§ 34.22 *Form and style.* Certificates under §§ 34.20 to 34.24, inclusive, shall conform to the requirements of § 1.15 of this chapter.

§ 34.23 *Number of copies.* An original and five copies, plus one copy for each State affected, of certificates under §§ 34.20 to 34.24, inclusive, shall be submitted.

§ 34.24 *Verification.* The original certificate shall be signed by a person or persons having authority with respect thereto and having knowledge of the matters therein set forth, and shall be verified under oath.

PART 35—FILING OF RATE SCHEDULES

Sec.

35.1 Definition.
35.2 Effective rates and charges.
35.3 Filing of rate schedules, rates, charges.
35.4 Identification and numbering of rate schedules.
35.5 Notice of cancellation.
35.6 Notice of succession.
35.7 Rates established by order of the Commission.
35.8 Posting for public inspection.
35.9 Protests and complaints against rate changes.
35.10 Number of copies of rate schedules to be supplied.
35.11 Form and style of rate schedules.
35.12 Filing date.

LICENSEE TO FILE ALL CONTRACTS, AGREEMENTS, RATE SCHEDULES, RELATING TO SALE AT WHOLESALE OF ELECTRIC ENERGY OR MECHANICAL HORSEPOWER

35.15 Filing of rate schedules, notices, etc., by persons authorized to transmit electric energy from the United States to a foreign country.
35.20 Filing.

AUTHORITY: §§ 35.1 to 35.20, inclusive, issued under secs. 19, 20, 41 Stat. 1073, secs. 205, 206 (a), 208 (a), 309, 49 Stat. 844, 851,

852, 858; 16 U. S. C. 803 (h), 812, 813, 824d, 824e, (b), 825h.

CROSS REFERENCES: Rules of practice and procedure: See Part 1 of this chapter. Forms under rules of practice and regulations, Federal Power Act: See Part 131 of this chapter.

§ 35.1 *Definition.* The term "rate schedule" as used herein shall include and mean any contract, agreement, lease of facilities or other writing, including supplements thereto, which specifies or affects the rates and charges to be assesssed or collected for the transmission or sale of electric energy subject to the jurisdiction of the Commission, or which establishes any rule, regulation, classification, or practice affecting such rates and charges or the service rendered or to be rendered.

§ 35.2 *Effective rates and charges.* No public utility shall directly or indirectly demand, collect, or receive, for the transmission or sale of electric energy subject to the jurisdiction of the Commission, or for the lease or utilization of any facilities subject to the jurisdiction of the Commission, any rate or charge different from that prescribed in its rate schedule or schedules actually on file with the Commission, unless the Commission shall, for good cause shown, otherwise provide by order.

§ 35.3 *Filing of rate schedules, rates, charges*—(a) *Obligation to file.* Every public utility shall post and file with the Commission full and complete rate schedules clearly and specifically setting forth all rates and charges for any transmission or sale of electric energy, the classification, practices and regulations affecting such rates, and all contracts which affect or relate to such rates, charges, classifications, or services as required by section 205 (c) of the Federal Power Act (49 Stat. 851; 16 U. S. C. 824d (c)). Where two or more public utilities are parties to the same rate schedule, each public utility furnishing service, transmitting, selling, pooling or interchanging electric energy shall post and file such rate schedule, or the rate schedule may be filed by one such public utility and all other parties having an obligation to file may post and file a certificate of concurrence on the form indicated in § 131.52 of this chapter.

(b) *Newly established rates, charges, etc.* Unless otherwise provided by order of the Commission, every rate or charge for the transmission or sale of electric energy subject to the jurisdiction of the Commission, as well as any classification, practice, or regulation affecting such rate or charge and any contract or agreement which affects or relates to such rate, charge, classification, regulation or service which has not theretofore been in effect, shall be posted and filed with the Commission not less than ten days prior to the date upon which it is proposed to become effective. As to each newly established rate or charge, there shall be submitted to the Commission:

(1) The date on which service thereunder is proposed to be initiated.

(2) An estimate of sales and revenues, by months, for the first 12 months of service under the proposed rate or charge. The estimate should be subdivided to show sales and revenues by classes of service, customers and delivery points, when more than one is involved. Sales data should include quantities, demands, load-factors, or other determinants that may be involved in the computation of charges under the rate schedule.

(3) A comparison of the proposed rate with other rates of the company for similar service.

(c) *Changes in filed rates, charges, etc.* All rate schedules making a change in any rate, charge, classification, or service on file with the Commission, or in any rule, regulation or contract relating thereto shall be posted and filed with the Commission not less than 30 days prior to the proposed effective date thereof, unless a shorter period of time is authorized by the Commission; and as to each proposed change there shall be submitted to the Commission:

(1) The date on which service thereunder is proposed to be initiated.

(2) A statement of the reasons for the proposed change and, if an increase in rate or charge, a justification thereof. Data submitted in response to subsequent items may be included by reference as a part of the response to this item.

(3) A comparative statement of sales and revenues, by months, under the present and proposed rates, for the twelve months immediately preceding and for the twelve months immediately succeeding the proposed change in rates. Figures for actual sales and revenues should be used as far as possible, and any estimated figures should be designated as such. The statement should be subdivided to show sales and revenues by classes of service, customers, and delivery points where more than one is involved. Sales data should include quantities, demands, load-factors, or other determinants that may be involved in the computation of charges under the rates.

(4) A comparison of the proposed rate with other rates of the utility for similar service.

(5) If any additional facilities will be required, or if any facilities required for the present service will not be needed if the proposed rate becomes effective:

(i) A brief description of such additional or unused facilities.

(ii) A statement or estimate by main account classifications of the original cost of such additional or unused facilities.

(iii) An estimate of the resulting increase or decrease in annual fixed charges, by major items, such as taxes, depreciation and return.

(iv) An estimate by main account classifications of the resulting increase or decrease in operating expenses.

(6) If the proposed rate will result in any change in the cost of service apart from a change in facilities covered by subparagraph (5) of this paragraph:

(i) An estimate of the resulting increase or decrease in annual fixed charges, by major items, such as taxes, depreciation and return.

(ii) An estimate by main account classifications of the resulting increase or decrease in operating expenses.

(7) If the proposed change is an increase in rates, then 60 days prior to the proposed effective date of the change the additional information listed below shall be submitted:

(i) A brief description of all facilities which have been used for the sale and transportation of electric energy under the rate or charge which has been effective. The description should list separately:

(*a*) Those facilities used solely in rendering service under the present rate.

(*b*) Those facilities used jointly for rendering service under the present rate and for other purposes.

(ii) A statement or estimate of the original cost, both undepreciated and depreciated, by major account classifications as of most recent date available of:

(*a*) Those facilities used solely in rendering service under the present rate.

(*b*) The portion of joint facilities allocable for service under the present rate, and the basis of all allocations.

(*c*) The total cost of facilities, subdivision (*a*) plus subdivision (*b*), used in rendering service under the present rate. If the original cost figures are not available and a reasonable estimate thereof cannot be prepared at the time, book amounts for the required property classifications may be submitted.

(iii) An estimate of the annual fixed charges, by major items, such as taxes, depreciation, and return, on the cost of the facilities included in subdivision (ii) (*c*) of this subparagraph.

(iv) A statement or estimate by main account classifications of the operating expenses showing:

(*a*) Those expenses incurred solely for rendering service under the present rate.

(*b*) The portion of joint expenses allocable for rendering service under the present rate, and the basis of all allocations.

(*c*) The total expenses incurred for rendering service under the present rate.

If all or any portion of the foregoing information has already been submitted to the Commission, then specific reference thereto may be made in lieu of refiling in response to the requirements of this rule.

(d) *Rates, charges, etc., made effective by order of the Commission.* For good cause shown, the Commission may by order provide that any rate schedule, charge, classification or service, or rule, regulation, practice, or contract relating thereto, shall be effective as of a date prior to the date of filing or prior to the date the filing would become effective in accordance with these rules.

§ 35.4 *Identification and numbering of rate schedules.* (a) Every rate schedule filed will be numbered in the office of the Commission and the filing public utility advised of the Rate Schedule FPC number. Whenever a rate schedule offered for filing, changes, alters or modifies any rate, charge, classification, or service, or any rule, regulation or contract relating thereto or provides additionally for a rate, charge, classification or service, or any rule, regulation, or contract relating thereto, but is dependent upon and amendatory of an existing rate schedule,

it will be designated as a supplement to the existing rate schedule and will be so numbered.

(b) Every rate schedule offered for filing with the Commission under this rule shall show on a title page, which shall be otherwise blank, (1) the name of the filing utility, (2) the names of other utilities receiving or rendering service under the rate schedule, and (3) a brief description of the service to be provided thereunder.

§ 35.5 *Notice of cancellation.* When a rate schedule, rate, charge, classification, or service, or any rule, regulation, or contract relating thereto and on file with the Commission is proposed to be cancelled and no new rate schedule is filed in its place, except as hereinafter provided, each public utility required to file the schedule shall formally notify the Commission of the proposed cancellation on the form indicated in § 131.53 of this chapter at least 30 days prior to the proposed effective date of such cancellation; and shall therewith submit a statement showing the reasons therefor and that notice has been served upon each utility that is a party to the rate schedule. A copy of such notice to the Commission shall be duly posted. For good cause shown, the Commission may permit notice of cancellation to be filed within less than 30 days of the proposed effective date thereof.

§ 35.6 *Notice of succession.* Whenever, the name of a public utility is changed, or its operating control is transferred to another public utility in whole or in part, or a receiver or trustee is appointed to operate any public utility, the exact name of the public utility, receiver, or trustee which will operate the property thereafter shall be filed within 30 days thereafter with the Commission on the form indicated in § 131.51 of this chapter.

§ 35.7 *Rates established by order of the Commission.* Every rate schedule filed to make effective the rates, charges, classifications or services or any rule or regulation relating thereto, established in conformity with an order of the Commission shall bear the following additional notation on the title page, e. g.:

Issued in Compliance with an Order of the Federal Power Commission Docket No. ---------- Entered ---- day of -----.

§ 35.8 *Posting for public inspection.* A true copy of every rate schedule required to be filed with the Commission shall be posted by each public utility, not later than the date of filing with the Commission, by keeping such rate schedules open and available for public inspection in a convenient form and place, during ordinary business hours at its principal and district or division offices in the territory served.

§ 35.9 *Protests and complaints against rate changes.* Every protest and complaint concerning any rate, charge, classification or service, or any rule, regulation or contract relating thereto may be filed at any time prior to the date upon which such rate, charge, classification or service, or rule, regulation, or contract relating thereto is proposed to become effective.

§ 35.10 *Number of copies of rate schedules to be supplied.* Two copies of every rate schedule, certificate of concurrence, notice of succession in ownership or operation, and notice of cancellation submitted for filing must be supplied to the Commission. Both copies are to be included in one package, together with a letter of transmittal listing all rate schedules included, and addressed to the Federal Power Commission, Washington, D. C. The Commission reserves the right to request such additional copies of any of the above mentioned instruments as it may find necessary or appropriate to carry out the provisions of the Federal Power Act.

§ 35.11 *Form and style of rate schedules.* All rate schedules filed under this rule must be printed, or if printed copies are not available, must be typewritten on paper 8½ inches wide by 11 inches long. Photostatic copies on white paper, in lieu of written or printed copies, may be filed. All copies must be clear and legible and complete as to signatures, dates, and other essential data. The Commission reserves the right to reject any rate schedule that does not meet the requirements of this section.

§ 35.12 *Filing date.* By filing date is meant the date on which a rate schedule submitted by a public utility is received in the office of the Secretary of the Commission, unless rejected by the Commission for failure to comply with provisions of the rules of practice and regulations in this subchapter and Part 131 of this chapter.

LICENSEE TO FILE ALL CONTRACTS, AGREEMENTS, RATE SCHEDULES, RELATING TO THE SALE AT WHOLESALE OF ELECTRIC ENERGY OR MECHANICAL HORSEPOWER

§ 35.15 *Filing of rate schedules, notices, etc., by persons authorized to transmit electric energy from the United States to a foreign country.* Reference is hereby made to the provisions of § 32.38 of this chapter, requiring persons authorized to transmit electric energy from the United States to a foreign country to file rate schedules, supplements, notices of succession in ownership or operation, notices of cancellation, and certificates of concurrence with respect to such energy.

§ 35.20 *Filing.* Every licensee shall file with the Commission a full and complete copy of every rate schedule, tariff, contract, or agreement, and all supplements thereto, providing for the sale at wholesale (whether for consumption, resale, or any other use whatsoever by the purchaser) of electric energy or mechanical horsepower generated or developed through the facilities of the licensed project: *Provided, however,* That rate schedules, contracts, agreements, etc., filed pursuant to the provisions of § 35.3 need not be filed additionally under the requirements of this section.

PART 41—ACCOUNTS, RECORDS, AND MEMORANDA

ADJUSTMENTS OF ACCOUNTS AND REPORTS

Sec.
41.1 Notice of deficiencies.
41.2 Response to notification.
41.3 Facts and argument.
41.4 Form and style.
41.5 Verification.
41.6 Determination.
41.7 Assignment for oral hearing.
41.8 Burden of proof.

AUTHORITY: §§ 41.1 to 41.8, inclusive, issued under secs. 4 (b) 301, 308, 309, 49 Stat. 839, 854, 858, 16 U. S. C. 797 (b), 825 (a), (b), (c), 825g, 825h.

CROSS REFERENCE: Rules of practice and procedure: See Part 1 of this chapter.

ADJUSTMENTS OF ACCOUNTS AND REPORTS

§ 41.1 *Notice of deficiencies.* If, as the result of an examination by a representative of the Commission of the accounts of a person subject to the act and to the Commission's accounting requirements, or of an examination of any statement or report submitted by such person, it appears that the accounts, or any books or records pertaining to or in support thereof, are not being kept and maintained as required by the Commission, or that the statements or reports prepared and submitted are not in proper form, the failure or deficiency will be called to the attention of such person either formally or informally as the circumstances appear to warrant.

§ 41.2 *Response to notification.* If, as the result of such formal or informal notice, the matter is not adjusted within the time fixed by said notice, or within a reasonable time in case no date is specified, or if there is a disagreement between such person and the Commission or its representative respecting the application or interpretation of the act or requirements of the Commission with respect to the matter at issue, such person will be requested to advise the Commission in writing within a time to be specified whether it consents to the disposition of the questions involved under the shortened procedure hereinafter provided.

§ 41.3 *Facts and argument.* If the person consents to the matter being handled under such shortened procedure, the person and any other parties interested, including representatives of the Commission, shall submit to the Commission, within 30 days after the receipt of notice from the Commission to do so, a memorandum of the facts and, separately stated, of the argument relied upon, to sustain the position taken respecting the matter at issue together with copies in sufficient number to enable the Commission to retain three copies for its own use and make service in accordance with § 1.17 of this chapter, upon all parties designated in said notice. Twenty days will be allowed in which to file a reply by any party who filed an original memorandum.

§ 41.4 *Form and style.* All memoranda must conform to the requirements of § 1.15 of this chapter, and each copy must be complete in itself. All pertinent data should be set forth fully, and each

memorandum should set out the facts and argument as prescribed for briefs in § 1.29 of this chapter.

§ 41.5 *Verification.* The facts stated in the memorandum must be sworn to by persons having knowledge thereof, which latter fact must affirmatively appear in the affidavit. Except under unusual circumstances, such persons should be those who would appear as witnesses if hearing were had to testify as to the facts stated in the memorandum.

§ 41.6 *Determination.* If no formal hearing is had the matter in issue will be determined by the Commission on the basis of the facts and arguments submitted.

§ 41.7 *Assignment for oral hearing.* In case consent to the shortened procedure is not given, or if at any stage of the proceeding prior to the submission of the case to the Commission any party in interest requests a hearing, the proceeding will be assigned for hearing as provided for by § 1.20 of this chapter. The Commission may also in its discretion set the proceeding for hearing on its own motion at any stage thereof.

§ 41.8 *Burden of proof.* The burden of proof to justify every accounting entry shall be on the person making, authorizing, or requiring such entry.

PART 45—APPLICATION FOR AUTHORITY TO HOLD INTERLOCKING POSITIONS

Sec.
45.1 Who shall file.
45.2 Positions requiring authorization.
45.3 Time of filing application.
45.4 Supplemental applications.
45.5 Supplemental information.
45.6 Termination of authorization.
45.7 Form of application; number of copies.
45.8 Contents of application.

AUTHORITY: §§ 45.1 to 45.8, inclusive, issued under secs. 305 (b), 309, 49 Stat. 856, 858; 16 U. S. C. 825d (b), 825h.

CROSS REFERENCES: Rules of practice and procedure: See Part 1 of this chapter. Forms under rules of practice and regulations, Federal Power Act: See Part 131 of this chapter.

§ 45.1 *Who shall file.* An order authorizing the holding of positions as provided by section 305 (b) of the Federal Power Act (49 Stat. 856; 16 U. S. C. 825d (b)) will be granted only upon application therefor made as hereinafter provided by the person seeking to hold such positions (hereinafter referred to as "applicant").

§ 45.2 *Positions requiring authorization.* (a) The positions subject to this part shall include those of any person elected or appointed to perform the duties or functions ordinarily performed by a president, vice president, secretary, treasurer, general manager, comptroller, chief purchasing agent, director or partner, or to perform any other similar executive duties or functions, in any corporation[1] within the purview of section 305 (b) of the act. With respect to positions not herein specifically mentioned which applicant holds and which are invested with executive authority, applicant shall state in the application the source of such executive authority, whether by bylaws, action of the board of directors, or otherwise.

(b) Corporations[1] within the purview of section 305 (b) of the act include:

(1) Any public utility under the act, which means any person who owns or operates facilities for the transmission of electric energy in interstate commerce, or any person who owns or operates facilities for the sale at wholesale of electric energy in interstate commerce.

(2) Any bank, trust company, banking association, or firm that is authorized by law to underwrite or participate in the marketing of public utility securities; this includes any corporation when so authorized whether or not same may also be a public utility and/or a holding company. (See 12 U. S. C. 378)

(3) Any company that supplies electrical equipment to a public utility in which applicant seeks authorization to hold a position, whether the supplying company be a manufacturer, or dealer, or one supplying electrical equipment pursuant to a construction, service, agency, or other contract.

(c) Regardless of any action which may have been taken by the Commission upon a previous application under section 305 (b) of the act, an application for approval under such section is required with reference to any position or positions not previously authorized which are within the purview of said section.

§ 45.3 *Time of filing application*—(a) *Anticipatory application.* An application may be made in anticipation of election or appointment to a position or positions within the purview of section 305 (b) of the act.

(b) *Application after election or appointment.* Section 305 (b) of the act provides that the holding of positions within the purview of that section shall be unlawful unless the holding shall have been authorized by order of the Commission. Nothing in this part shall be construed as authorizing the holding of positions prior to the order of the Commission on application therefor. Applications shall be filed within 30 days after election or appointment to any positions within the purview of section 305 (b) of the act.

§ 45.4 *Supplemental applications*—(a) *New positions.* In the event of a change or changes in the information set forth in an application, by the applicant's election or appointment to another position or other positions in corporations within the purview of section 305 (b) of the act, the application shall be supplemented by the applicant's setting forth all the data with respect to the new position or positions in accordance with the requirements of this part.

(b) *Old positions.* After applicant has been authorized to hold a particular position, further application in connection with each successive term so long as he continues in uninterrupted tenure of such position will not be required except as ordered by the Commission. If the term of office or the holding of any position for which authorization has been given shall be interrupted and the applicant shall subsequently be reelected or reappointed thereto, further authorization will be required.

§ 45.5 *Supplemental information*—(a) *Required by Commission.* Applicants hereunder shall upon request of the Commission and within such time as may be allowed, supplement any application or any supplemental application with any information required by the Commission.

(b) *Notice of changes.* In the event of the applicant's resignation, withdrawal, or failure of reelection or appointment in respect to any of the positions for which authorization has been granted by the Commission, or in the event of any other material or substantial change therein, the applicant shall within 30 days after any such change occurs, give notice thereof to the Commission setting forth the position, corporation, and date of termination therewith, or other material or substantial change.

(c) *Reports.* All persons holding positions by authorization of the Commission under section 305 (b) of the act may be required to file such periodic or special reports as the Commission may deem necessary.

§ 45.6 *Termination of authorization*—(a) *By the Commission.* Orders of authorization under section 305 (b) of the act are subject to revocation by the Commission after due notice to applicant and opportunity for hearing. In any such proceeding the burden of proof shall be upon the applicant to show that neither public nor private interests will be adversely affected by the holding of such positions.

(b) *Without action of the Commission.* Whenever a person shall cease to hold a position theretofore authorized to be held by the Commission or such position shall cease to be within the purview of section 305 (b) of the Federal Power Act, the Commission's authorization to hold such position shall terminate without further action by the Commission. If upon such termination of authorization as aforesaid, such person does not continue to hold at least two positions authorized and then requiring authorization pursuant to said section 305 (b) of the act, all authorization theretofore given by the Commission shall thereupon terminate.

§ 45.7 *Form of application; number of copies.* An original and two copies of each application, supplemental application, statement of supplemental information, notice of change and report required by this part, together with one additional copy for each interested State commission, shall be filed with the Commission. Each original shall be dated, signed by the applicant and verified under oath in accordance with § 131.60 of this chapter. Each copy shall bear the date and signature that appear on the original and shall be complete in itself, but the signature in the copies may be stamped or typed and the notarial

[1] "Corporation" means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include "municipalities" as defined in the Federal Power Act (sec. 3, 49 Stat. 838; 16 U. S. C. 796).

seal may be omitted. The application shall conform to § 1.15 of this chapter.

§ 45.8 *Contents of application.* Each application shall state the following:

(a) *Identification of applicant.* (1) Full name, business address, and place of residence.

(2) Major business or professional activity.

(3) Any other application or applications under section 305 (b) of the Act made by the applicant, together with date and docket number thereof, and Commission action thereon, if any.

(4) If application is not filed with the Commission within 30 days after election or appointment, state reasons in full for the delay.

(b) *List of positions within the purview of section 305 (b) of the act for which authorization is sought.*

Position	Name of Corporation	Classification: ((1) Public utility, (2) authorized by law to underwrite, (3) supplying electrical equipment)

(c) *Data as to positions with each public utility mentioned in paragraph (b) of this section.* (The applicant shall use a separate sheet for each public utility. If the public utility has already filed with the Commission the information required under (12), (13), and (14), applicant may refer to such reports in lieu thereof.)

(1) Name of public utility, State and date of incorporation (if any), and address of principal place of business.

(2) States in which public utility is doing business or has qualified to do business.

(3) Description of the facilities owned or operated by the public utility for the transmission of electric energy in interstate commerce or the sale of electric energy at wholesale in interstate commerce, and of the interconnection of such facilities with those of any other corporation. (An appropriate map shall be included as an exhibit.)

(4) Positions which applicant holds or seeks authorization to hold therein, and when and by whom elected or appointed to each position.

(5) Names, titles and residence addresses of directors and officers and number of vacancies, if any, on board of directors.

(6) Description of applicant's duties and approximate amount of time devoted thereto, and, if applicant seeks authorization as director, when and where directors meetings have been held during the past 18 months and number of said meetings attended by applicant.

(7) Any other professional, contractual, or business relationships of applicant, either directly or through the medium of any corportion, with the public utility.

(8) Extent of applicant's direct or indirect ownership, or control of, or beneficial interest in, the public utility or the securities thereof, including common stock, preferred stock, bonds, or other securities. If such ownership or interest is held in a name other than that of applicant, state name and address of such holder.

(9) Extent of applicant's indebtedness to public utility, how and when incurred, and consideration therefor.

(10) All money or property received by applicant from the public utility or any affiliate during the past 12 months, and expected during the ensuing 12 months, whether for services, reimbursement of expenses, or otherwise. Specify in detail the amount thereof and the basis therefor. If applicant's compensation for services to the public utility is not paid directly by the public utility, give name of the corporation which does pay same, the amount allocated or allocable to the public utility or any affiliate, and the basis or reason for such allocation.

(11) Name and address of principal place of business of any corporation which renders management, construction or other service to the public utility pursuant to contract or other continuing arrangement.

(12) Copy of last annual balance sheet and last annual operating statement of the public utility.

(13) A statement, as of the date of the balance sheet submitted, showing for each class and series of capital stock:

(i) Brief description.

(ii) The amount authorized (face value and number of shares).

(iii) The amount outstanding (exclusive of any amount held in the treasury).

(iv) Amount owned by affiliated corporations.

(v) Voting rights and whether voting rights are cumulative or noncumulative.

(14) A statement, as of the date of the balance sheet submitted, showing for each class and series of funded debt:

(i) Brief description.

(ii) Name and address of trustee under any mortgage or indenture in relation thereto.

(iii) The amount authorized.

(iv) The amount outstanding (exclusive of any amount held in the treasury).

(v) Amount owned by affiliated corporations.

(vi) Voting right, if any, with description thereof.

(15) Whether during the past 5 years, the public utility or any affiliate thereof or any security holders of either, have commenced any suit against the officers or directors thereof for alleged waste, mismanagement or violation of duty, to which suit applicant was a party defendant. If so give date of commencement of suit, court in which commenced, and present status.

(16) Whether the public utility or any affiliate thereof, during the past five years and while applicant held a position therewith, has either voluntarily or involuntarily been the subject of any proceeding in bankruptcy (including 77 (b), 48 Stat. 912; 11 U. S. C. 207), insolvency or equity receivership, either Federal or State. If so, give date of commencement of proceeding, court in which commenced, and present status.

(d) *Data as to positions with each bank, trust company, banking association or firm, mentioned in paragraph (b) of this section, that is authorized by law to underwrite or participate in the marketing of securities of a public utility.* (The applicant shall use a separate sheet for each corporation.)

(1) Name of corporation, State and date of incorporation (if any) and address of principal place of business.

(2) States in which corporation is doing business or has qualified to do business.

(3) Positions which applicant holds or seeks authorization to hold therein and when and by whom elected or appointed to each position.

(4) Description of applicant's duties in each position and approximate amount of time devoted thereto, and, if applicant seeks authorization as director, where directors meetings are held.

(5) Names, titles, and residence addresses of directors, officers, or partners.

(6) Whether the corporation is now engaged in underwriting or participating in the marketing of the securities of a public utility; if so, to what extent.

(7) Whether the corporation, during applicant's connection therewith, has underwritten or participated in the marketing of the security issue of any public utility with which applicant was also connected; if so, the details with respect to every such transaction.

(8) (If the answer to subparagraph (6) of this paragraph, is in the negative) Give excerpts from the charter, declaration of trust, or articles of partnership which authorize the underwriting or participating in the marketing of securities of a public utility.

(9) (If the answer to subparagraph (6) of this paragraph is in the negative) Give general requirements of and appropriate reference to, the laws of the State of organization and of States in which corporation is doing business or has qualified to do business, which it must comply with in order to engage in the business of underwriting or participating in the marketing of the securities of a public utility.

(10) What steps, if any, have been taken to comply with laws mentioned in subparagraph (9) of this paragraph.

(11) In lieu of subparagraphs (8), (9), and (10) of this paragraph, an opinion by counsel to the same effect and including the information in respect thereto may be filed with the application.

(12) Whether the corporation has registered with the Securities and Exchange Commission; if so, when and under what section of what act.

(e) *Data as to positions with each company, mentioned in paragraph (b) of this section, supplying electrical equipment to a public utility in which applicant holds a position.* (Applicant shall use a separate sheet for each company.)

(1) Name of company, State and date of incorporation (if any), and address of principal place of business.

(2) Positions which applicant holds or seeks authorization to hold therein and when and by whom elected or appointed to each position.

(3) Description of applicant's duties in each position and approximate amount of time devoted thereto, and, if applicant seeks authorization as director, when and where directors meetings have been held during the past 18 months and number of said meetings attended by applicant.

(4) Names, titles, and residence addresses of directors or partners.

(5) Name of each public utility, with which applicant holds or seeks authorization to hold a position, to which the company supplies electrical equipment; the frequency of such transactions; the approximate annual dollar volume of such business; and the type of equipment supplied.

(6) Nature of relationship between the company supplying electrical equipment and the public utility:

(i) Whether company manufactures such electrical equipment or is a dealer therein.

(ii) Whether company supplies electrical equipment to the public utility pursuant to construction, service, agency, or other contract with the public utility or an affiliate thereof, and, if so, furnish brief summary of the terms of such contract.

(7) Extent of applicant's direct or indirect ownership, or control of, or beneficial interest in, the company or in the securities thereof, including common stock, preferred stock, bonds, or other securities. If such ownership or interest is held in a name other than that of applicant, state name and address of such holder.

(8) All money or property received by applicant from the company during the past 12 months, and expected during the ensuing 12 months whether for services, reimbursement for expenses, or otherwise. Specify in detail the amount thereof and the basis therefor.

(f) *Data as to positions with public utility holding companies.* (Do not include here data as to corporations listed in paragraph (b) of this section which are also holding companies. A "holding company" as herein used means any corporation which directly or indirectly owns, controls, or holds with power to vote, ten per centum, or more, of the outstanding voting securities of a public utility.)

(1) Name of holding company, State and date of incorporation (if any), and address of principal place of business.

(2) Positions which applicant holds therein, when and by whom elected or appointed to each position.

(3) Extent of applicant's direct or indirect ownership, or control of, or beneficial interest in, the holding company or in the securities thereof, including common stock, preferred stock, bonds, or other securities. If such ownership or interest is held in a name other than that of applicant, state name and address of such holder.

(4) All money or property received by applicant from the holding company during the past 12 months, and expected during the ensuing 12 months, whether for services, reimbursement for expenses, or otherwise. Specify in detail the amount thereof and the basis therefor.

(g) *Positions with all other corporations.* (Do not include here data as to any corporations listed in paragraphs (b) or (f) of this section.)

(1) All other corporations and positions therein, including briefly the information required in parallel columns as below:

Name of Corporation	Address; Kind of business	Position held therein

(2) Any corporate, contractual, financial, or business relationships between any of the corporations listed in subparagraph (1) of this paragraph and any of the public utilities listed in paragraph (b) of this section.

(h) *Data as to the public utility holding company system.* (1) The name of the public utility holding company system of which each public utility listed in paragraph (b) of this section is a part.

(2) The financial and corporate relationship existing between and among the corporations in the above holding company system, including the percentage of voting power represented by securities owned by the corporation preceding each corporation in the corporate structure of the system. (An appropriate chart or table shall be included as an exhibit.)

(3) The name of each public utility holding company, listed in subparagraph (1) of this paragraph which has registered with the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 (49 Stat. 803 ;15 U. S. C., Chapter 2C). Give date of registration.

(4) The name of each public utility holding company listed in subparagraph (1) of this paragraph which has filed with the Securities and Exchange Commission a plan for voluntary reorganization or corporate simplification pursuant to section 11 of the Public Utility Holding Company Act of 1935. Give date of filing such plan.

CROSS REFERENCE: For rules and regulations of the Securities and Exchange Commission, see 17 CFR, Ch. II.

Subchapter C—Accounts, Federal Power Act

PART 101—UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR CLASS A AND CLASS B PUBLIC UTILITIES AND LICENSEES

GENERAL PROVISIONS

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101.00–1 Prescribing a system of accounts for public utilities and licensees under the Federal Power Act.
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INSTRUCTIONS, BALANCE SHEET ACCOUNTS

101.1–1 Purpose of balance sheet accounts.
101.1–2 Current and accrued assets.
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101.1–4 Book cost of securities owned.
101.1–5 Discount, expense, and premium on capital stock.
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BALANCE SHEET ACCOUNTS

ASSETS AND OTHER DEBITS

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101.100:1 Electric plant in service.
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101.100:5 Electric plant acquisition adjustments.
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Investment and Fund Accounts

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Sec.
101.111:1 Investments in securities of associated companies.
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Current and Accrued Assets

101.120 Cash.
101.121 Special deposits.
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101.122 Working funds.
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101.125:1 Accounts receivable—customers.
101.125:2 Other accounts receivable.
101.126 Receivables from associated companies.
101.127 Subscriptions to capital stock.
101.128 Interest and dividends receivable.
101.129 Rents receivable.
101.130 Accrued utility revenues.
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101.141 Extraordinary property losses.
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Capital Stock Discount and Expense

101.150 Discount on capital stock.
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101.200 Common capital stock.
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Current and Accrued Liabilities

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101.224 Dividends declared.
101.225 Matured long-term debt.
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101.228 Taxes accrued.
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101.230 Other current and accrued liabilities.

Deferred Credits

Sec.
101.240 Unamortized premium on debt.
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Reserves

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101.252 Reserve for amortization of electric plant acquisition adjustments.
101.253 Reserve for depreciation and amortization of other property.
101.254 Reserve for uncollectible accounts.
101.255 Insurance reserve.
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101.257 Employees' provident reserve.
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101.258:1 Amortization reserve—Federal.
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101.265 Contributions in aid of construction.

Surplus

101.270 Capital surplus.
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INSTRUCTIONS, ELECTRIC PLANT ACCOUNTS

101.3–1 Purpose of electric plant accounts.
101.3–2 Classification of electric plant at effective date of system of accounts.
101.3–3 Electric plant to be recorded at cost.
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ELECTRIC PLANT ACCOUNTS

INTANGIBLE PLANT

101.301 Organization.
101.302 Franchises and consents.
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PRODUCTION PLANT

Steam Production

101.310 Land and land rights.
101.311 Structures and improvements.
101.312 Boiler plant equipment.
101.313 Engines and engine driven generators.
101.314 Turbo-generator units.
101.315 Accessory electric equipment.
101.316 Miscellaneous power plant equipment.

Hydraulic Production

101.320 Land and land rights.
101.321 Structures and improvements.
101.322 Reservoirs, dams, and waterways.
101.323 Water wheels, turbines, and generators.
101.324 Accessory electric equipment.
101.325 Miscellaneous power plant equipment.
101.326 Roads, railroads, and bridges.

Internal Combustion Engine Production

101.330 Land and land rights.
101.331 Structures and improvements.
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Sec.
101.333 Internal combustion engines.
101.334 Generators.
101.335 Accessory electric equipment.
101.336 Miscellaneous power plant equipment.

TRANSMISSION PLANT

101.340 Land and land rights.
101.341 Clearing land and rights-of-way.
101.342 Structures and improvements.
101.343 Station equipment.
101.344 Towers and fixtures.
101.345 Poles and fixtures.
101.346 Overhead conductors and devices.
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101.348 Underground conductors and devices.
101.349 Roads and trails.

DISTRIBUTION PLANT

101.350 Land and land rights.
101.351 Structures and improvements.
101.352 Station equipment.
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101.354 Poles, towers, and fixtures.
101.355 Overhead conductors and devices.
101.356 Underground conduit.
101.357 Underground conductors and devices.
101.358 Line transformers.
101.359 Services.
101.360 Meters.
101.361 Installations on customers' premises.
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GENERAL PLANT

101.370 Land and land rights.
101.371 Structures and improvements.
101.372 Office furniture and equipment.
101.373 Transportation equipment.
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101.376 Laboratory equipment.
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101.379 Miscellaneous equipment.
101.390 Other tangible property.
101.391 Electric plant purchased.
101.392 Electric plant sold.
101.393 Donations in aid of construction—credit.

INSTRUCTIONS, EARNED SURPLUS ACCOUNT

101.4–1 Purpose of earned surplus account.

EARNED SURPLUS ACCOUNT

CREDITS

101.400 Credit balance transferred from income account.
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DEBITS

101.410 Debit balance transferred from income account.
101.411 Dividend appropriations—preferred stock.
101.412 Dividend appropriations—common stock.
101.413 Miscellaneous reservations of surplus.
101.414 Miscellaneous debits to surplus.

INSTRUCTIONS, INCOME ACCOUNTS

101.5–1 Purpose of income accounts.
101.5–2 Records for other income.
101.5–3 Income from sinking and other funds.
101.5–4 Rents includible in income accounts.

INCOME ACCOUNTS

UTILITY OPERATING INCOME

101.501 Operating revenues.
101.502 Operating expenses.
101.503 Depreciation.

Sec.
101.504 Amortization of limited-term electric investments.
101.505 Amortization of electric plant acquisition adjustments.
101.506 Property losses chargeable to operations.
101.507 Taxes.
101.508 Income from electric plant leased to others.
101.509 Other utility operating income.

OTHER INCOME

101.520 Income from merchandising, jobbing, and contract work.
101.521 Income from non-utility operations.
101.522 Revenues from lease of other physical property.
101.523 Dividend revenues.
101.524 Interest revenues.
101.524:1 Interest on securities owned.
101.524:2 Other interest revenues.
101.525 Revenues from sinking and other funds.
101.526 Miscellaneous non-operating revenues.
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INCOME DEDUCTIONS

101.530 Interest on long-term debt.
101.531 Amortization of debt discount and expense.
101.532 Amortization of premium on debt—credit.
101.533 Taxes assumed on interest.
101.534 Interest on debt to associated companies.
101.534:1 Interest on advances from associated companies.
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101.535 Other interest charges.
101.536 Interest charged to construction—credit.
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DISPOSITION OF NET INCOME

101.540 Miscellaneous reservations of net income.

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101.6–1 Purpose of operating revenue accounts.
101.6–2 Basis of credits to operating revenue accounts.
101.6–3 Commissions on electric sales.
101.6–4 Electricity supplied without direct charge.
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101.6–6 Supporting records.
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OPERATING REVENUE ACCOUNTS

SALES OF ELECTRIC ENERGY

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101.601 Rural sales.
101.602 Commercial and industrial sales.
101.603 Public street and highway lighting.
101.604 Other sales to public authorities.
101.605 Sales to other electric utilities.
101.606 Sales to railroads and railways.
101.607 Interdepartmental sales.
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OTHER ELECTRIC REVENUES

101.610 Rent from electric property.
101.611 Interdepartmental rents.
101.612 Customers' forfeited discounts and penalties.
101.613 Sales of water and water power.
101.614 Servicing of customers' installations.
101.615 Miscellaneous electric revenues.

INSTRUCTIONS, OPERATING EXPENSE ACCOUNTS

Sec.
101.7–1 Purpose of operating expense accounts.
101.7–2 Maintenance, cost of.
101.7–3 Salvage and insurance.
101.7–4 Supervision and engineering.
101.7–5 Operating rents.
101.7–6 Joint facility rents and expenses.
101.7–7 Records for each plant.

OPERATING EXPENSE ACCOUNTS

PRODUCTION EXPENSES

Electric Generation, Steam Power

Operation

101.701BA Operation supervision and engineering.
101.702B Station labor.
101.702:1A Boiler labor.
101.702:2A Prime mover and generator labor.
101.702:3A Electric labor.
101.702:4A Miscellaneous station labor.
101.703BA Fuel.
101.704BA Water.
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101.705:2A Station supplies.
101.705:3A Station expenses.

Maintenance

101.706BA Maintenance supervision and engineering.
101.707BA Maintenance of structures and improvements.
101.708B Maintenance of boiler plant equipment.
101.708:1A Maintenance of coal storage, handling, and weighing equipment.
101.708:2A Maintenance of furnaces and boilers.
101.708:3A Maintenance of boiler apparatus.
101.708:4A Maintenance of steam piping and accessories.
101.709B Maintenance of generating and electric equipment.
101.709:1A Maintenance of prime movers and generators.
101.709:2A Maintenance of accessory electric equipment.
101.709:3A Maintenance of miscellaneous power plant equipment.

Miscellaneous

101.710BA Rents.
101.711BA Steam from other sources.
101.712BA Steam transferred—credit.
101.713BA Joint expenses—debit.
101.714BA Joint expenses—credit.

Electric Generation, Hydraulic Power

Operation

101.715BA Operation supervision and engineering.
101.716B Station labor.
101.716:1A Hydraulic labor.
101.716:2A Prime mover and generator labor.
101.716:3A Electric labor.
101.716:4A Miscellaneous station labor.
101.717BA Water for power.
101.718B Supplies and expenses.
101.718:1A Lubricants.
101.718:2A Station supplies.
101.718:3A Station expenses.

Maintenance

101.719BA Maintenance supervision and engineering.
101.720BA Maintenance of structures and improvements.
101.721BA Maintenance of reservoirs, dams, and waterways.
101.722B Maintenance of generating and electric equipment.
101.722:1A Maintenance of prime movers and generators.
101.722:2A Maintenance of accessory electric equipment.
101.722:3A Maintenance of miscellaneous power plant equipment.
101.723BA Maintenance of roads, railroads, and bridges.

Miscellaneous

101.724BA Rents.
101.725BA Joint expenses—debit.
101.726BA Joint expenses—credit.

Electric Generation, Internal Combustion Engine Power

Operation

101.727BA Operation supervision and engineering.
101.728B Station labor.
101.728:1A Engine labor.
101.728:2A Electric labor.
101.728:3A Miscellaneous station labor.
101.729BA Engine fuel.
101.730B Supplies and expenses.
101.730:1A Water.
101.730:2A Lubricants.
101.730:3A Station supplies.
101.730:4A Station expenses.

Maintenance

101.731BA Maintenance supervision and engineering.
101.732BA Maintenance of structures and improvements.
101.733BA Maintenance of fuel holders, producers, and accessories.
101.734B Maintenance of generating and electric equipment.
101.734:1A Maintenance of engines.
101.734:2A Maintenance of generators.
101.734:3A Maintenance of accessory electric equipment.
101.734:4A Maintenance of miscellaneous power plant equipment.

Miscellaneous

101.735BA Rents.
101.736BA Joint expenses—debit.
101.737BA Joint expenses—credit.

Other Production Expenses and Credits

101.738BA Purchased power.
101.739BA Interchange power.
101.740BA Other expenses.
101.741BA Joint expenses—debit.
101.742BA Joint expenses—credit.

TRANSMISSION EXPENSES

Operation

101.743BA Operation supervision and engineering.
101.744BA Load dispatching labor and expenses.
101.745B Operation of stations.
101.745:1A Station labor.
101.745:2A Station supplies and expenses.
101.746B Operation of lines.
101.746:1A Overhead lines.
101.746:2A Underground lines.

Maintenance

101.747BA Maintenance supervision and engineering.
101.748BA Maintenance of structures and improvements.
101.749BA Maintenance of station equipment.
101.750B Maintenance of overhead system.
101.750:1A Maintenance of towers and fixtures.
101.750:2A Maintenance of poles and fixtures.
101.750:3A Maintenance of conductors and devices.
101.751B Maintenance of underground system.
101.751:1A Maintenance of conduit.

Sec.
101.751:2A Maintenance of conductors and devices.
101.752BA Maintenance of roads and trails.

Miscellaneous

101.753BA Rents.
101.754BA Joint expenses—debit.
101.755BA Joint expenses—credit.

DISTRIBUTION EXPENSES

Operation

101.756BA Operation supervision and engineering.
101.757BA Load dispatching labor and expenses.
101.758B Distribution office expenses.
101.758:1A Distribution maps and records.
101.758:2A Other distribution office expenses.
101.759B Operation of stations.
101.759:1A Station labor.
101.759:2A Station supplies and expenses.
101.760B Operation of storage batteries.
101.760:1A Storage battery labor.
101.760:2A Storage battery supplies and expenses.
101.761B Operation of lines.
101.761:1A Overhead lines.
101.761:2A Underground lines.
101.761:3A Removing and resetting line transformers.
101.762B Services on customers' premises.
101.762:1A Removing and resetting meters.
101.762:2A Other services on customers' premises.
101.763B Operation of street lighting and signal systems.
101.763:1A Overhead systems.
101.763:2A Underground systems.

Maintenance

101.764BA Maintenance supervision and engineering.
101.765BA Maintenance of structures and improvements.
101.766BA Maintenance of station equipment.
101.767BA Maintenance of storage battery equipment.
101.768B Maintenance of overhead system.
101.768:1A Maintenance of poles, towers, and fixtures.
101.768:2A Maintenance of conductors and devices.
101.769B Maintenance of underground system.
101.769:1A Maintenance of conduit.
101.769:2A Maintenance of conductors and devices.
101.770BA Maintenance of line transformers and devices.
101.771BA Maintenance of services.
101.772BA Maintenance of meters.
101.773BA Maintenance of installations on customers' premises.
101.774BA Maintenance of leased property on customers' premises.
101.775BA Maintenance of street lighting and signal systems.

Miscellaneous

101.776BA Rents.
101.777BA Joint expenses—debit.
101.778BA Joint expenses—credit.

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

101.779BA Supervision.
101.780B Customers' contracts, orders, meter reading, and collecting.
101.780:1A Customers' contracts and orders.
101.780:2A Credit investigations and records.
101.780:3A Meter reading.
101.780:4A Collecting.
101.781BA Customers' billing and accounting.
101.782BA Miscellaneous expenses.
101.783BA Uncollectible accounts.
101.784BA Rents.

SALES PROMOTION EXPENSES

Sec.
101.785BA Supervision.
101.786BA Salaries and commissions.
101.787B Demonstration, advertising, and other sales expenses.
101.787:1A Demonstration.
101.787:2A Advertising.
101.787:3A Miscellaneous sales expenses.
101.788BA Rents.
101.789BA Merchandising, jobbing, and contract work.

ADMINISTRATIVE AND GENERAL EXPENSES

101.790BA Salaries of general officers and executives.
101.791BA Other general office salaries.
101.792B Expenses of general officers and general office employees.
101.792:1A Expenses of general officers.
101.792:2A Expenses of general office employees.
101.793BA General office supplies and expenses.
101.794BA Management and supervision fees and expenses.
101.795BA Special services.
101.796BA Legal services.
101.797BA Regulatory commission expenses.
101.798BA Insurance.
101.799BA Injuries and damages.
101.800B Employees' welfare expenses and pensions.
101.800:1A Employees' welfare expenses.
101.800:2A Pensions.
101.801BA Miscellaneous general expenses.
101.802B Maintenance of general property.
101.802:1A Maintenance of structures and improvements.
101.802:2A Maintenance of office furniture and equipment.
101.802:3A Maintenance of communication equipment.
101.802:4A Maintenance of miscellaneous property.
101.803BA Rents.
101.804BA Commissions paid under agency sales contracts.
101.805BA Franchise requirements.
101.806BA Duplicate miscellaneous charges—credit.
101.807BA Administrative and general expenses transferred—credit.
101.808BA Joint expenses—debit.
101.809BA Joint expenses—credit.

CLEARING ACCOUNTS

101.901 Charges by associated companies—clearing.
101.902 Stores expenses—clearing.
101.903 Transportation expenses—clearing.
101.904 Laboratory expenses—clearing.
101.905 Shop expenses—clearing.

AUTHORITY: §§ 101.00–1 to 101.905, inclusive, issued under secs. 3 (13), 4 (b), 301 (a), 304 (a), 309, 49 Stat. 839, 854, 855, 858; 16 U. S. C. 796 (13), 797 (b), 825 (a), 825c (a), 825h.

GENERAL PROVISIONS

§ 101.00–1 *Prescribing a system of accounts for public utilities and licensees under the Federal Power Act.* The Federal Power Commission acting pursuant to authority granted by the Federal Power Act, particularly sections 301 (a), 304 (a), and 309, and paragraph (13) of section 3, section 4 (b) thereof, and finding such action necessary and appropriate for carrying out the provisions of said act, hereby adopts the accompanying system of accounts entitled "Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act," and the rules and regulations contained therein; and *It is hereby ordered:*

(a) That said system of accounts and said rules and regulations contained therein be and the same are hereby prescribed and promulgated as the system of accounts and rules and regulations of the Commission to be kept and observed by public utilities subject to the jurisdiction of the Commission and by licensees holding licenses issued by the Commission, to the extent and in the manner set forth therein;

(b) That said system of accounts and rules and regulations therein contained shall, as to all public utilities now subject to the jurisdiction of the Commission and as to all present licensees, become effective on January 1, 1937, and as to public utilities and licensees which may hereafter become subject to the jurisdiction of the Commission, they shall become effective as of the date when such public utility becomes subject to the jurisdiction of the Commission or on the effective date of the license;

(c) That a copy of said system of accounts and rules and regulation contained therein be forthwith served upon each public utility subject to the jurisdiction of the Commission, and each licensee or permittee holding a license or permit from the Commission.

This system of accounts supersedes the system of accounts prescribed for licensees under the Federal Water Power Act; and Order No. 13, entered November 20, 1922, prescribing said system of accounts, was rescinded effective January 1, 1937.

§ 101.00–2 *Amendments made by Order No. 43.* Order No. 43, adopted December 31, 1936, amended, in certain minor details, the Uniform System of Accounts prescribed by Order No. 42. The amendments are incorporated in this Uniform System of Accounts.

Order No. 43 also adopted and added to said Uniform System of Accounts Appendix III (Part 104) of this chapter, entitled "Application of Uniform System of Accounts to Class C and Class D Public Utilities and Licensees." Appendix III (Part 104) of this chapter, became effective January 1, 1938.

Order No. 14,[1] entered by the Commission on June 15, 1923, prescribing a condensed classification of accounts for the use of licensees who do not furnish a public service, was also amended by changing the words (Class D Licensees) to (Class I Licensees).

§ 101.00–3 *Authority under which accounting rules and regulations are prescribed.* This uniform system of accounts for public utilities and licensees is issued and prescribed under the following provisions of the Federal Power Act (49 Stat. 838 ff.; 16 U. S. C. 791–825):

SEC. 301. (a) Every licensee and public utility shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate for pur-

[1] Order No. 14 was rescinded as of May 1, 1938, by an order of the Commission, dated June 14, 1938.

poses of the administration of this act, including accounts, records, and memoranda of the generation, transmission, distribution, delivery, or sale of electric energy, the furnishing of services or facilities in connection therewith, and receipts and expenditures with respect to any of the foregoing: Provided, however, That nothing in this act shall relieve any public utility from keeping any accounts, memoranda, or records which such public utility may be required to keep by or under authority of the laws of any State. The Commission may prescribe a system of accounts to be kept by licensees and public utilities and may classify such licensees and public utilities and prescribe a system of accounts for each class. The Commission, after notice and opportunity for hearing, may determine by order the accounts in which particular outlays and receipts shall be entered, charged, or credited. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry, and the Commission may suspend a charge or credit pending submission of satisfactory proof in support thereof.

SEC. 304. (a) Every licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies.

SEC. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective 30 days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

SEC. 3. The words defined in this section shall have the following meanings for purposes of this act, to wit: * * *

(13) "Net investment" in a project means the actual legitimate original cost thereof as defined and interpreted in the "classification of investment in road and equipment of steam roads, issue of 1914, Interstate Commerce Commission", plus similar costs of additions thereto and betterments thereof, minus the sum of the following items properly allocated thereto, if and to the extent that such items have been accumulated during the period of the license from earnings in excess of a fair return on such investment: (a) Unappropriated surplus, (b) aggregate credit balances of current depreciation accounts, and (c) aggregate appropriations of surplus or income held in amortization, sinking fund, or similar reserves, or expended for additions or betterments or used for the purposes for which such reserves were created. The term "cost" shall include, insofar as applicable, the elements thereof prescribed in said classification, but shall not include expenditures from funds obtained through donations by States, municipalities, individuals, or others, and said classification of investment of the Interstate Commerce Commission shall insofar as applicable be published and promulgated as a part of the rules and regulations of the Commission;

SEC. 4. The Commission is hereby authorized and empowered—* * *

(b) To determine the actual legitimate original cost of and the net investment in a licensed project, and to aid the Commission in such determinations, each licensee shall, upon oath, within a reasonable period of time to be fixed by the Commission, after the construction of the original project or any addition thereto or betterment thereof, file with the Commission in such detail as the Commission may require, a statement in duplicate showing the actual legitimate original cost of construction of such project, addition, or betterment, and of the price paid for water rights, rights-of-way, lands, or interest in lands. The licensee shall grant to the Commission or to its duly authorized agent or agents, at all reasonable times, free access to such project, addition, or betterment, and to all maps, profiles, contracts, reports of engineers accounts, books, records and all other papers and documents relating thereto. The statement of actual legitimate original cost of said project and revisions thereof as determined by the Commission, shall be filed with the Secretary of the Treasury.

§ 101.01–1 *Applicability of system of accounts.* This system of accounts is applicable in principle to all licensees subject to the Commission's accounting requirements under the Federal Power Act, and to all public utilities subject to the provisions of the Federal Power Act. The Commission reserves the right, however, under the provisions of section 301 (a) of the Federal Power Act, to classify such licensees and public utilities and to prescribe a system or classification of accounts to be kept by and which will be convenient for and meet the requirements of each class.

This system of accounts is applicable to public utilities, as herein defined, and to licensees engaged in the generation and sale of electric energy for ultimate distribution to the public. In § 102.01–1 of this chapter, there are shown the modifications and additions which are necessary to meet the conditions peculiar to Class A and Class B State and municipal licensees. In § 104.1 of this chapter, there is shown the condensed list of accounts to be kept by Class C and Class D public utilities and licensees, including State and municipal licensees.

This system of accounts shall also apply to agencies of the United States engaged in the generation and sale of electric energy for ultimate distribution to the public, so far as may be practicable, in accordance with applicable statutes.

In accordance with the requirements of section 3 of the act (49 Stat. 839; 16 U. S. C. 796 (13)), the "classification of investment in road and equipment of steam roads, issue of 1914, Interstate Commerce Commission", is published and promulgated as a part of the accounting rules and regulations of the Commission, and a copy thereof appears as § 103.01–1 of this chapter. Irrespective of any rules and regulations contained in this system of accounts, the cost of original projects licensed under the act, and also the cost of additions thereto and betterments thereof, shall be determined under the rules and principles as defined and interpreted in said classification of the Interstate Commerce Commission so far as applicable.

CROSS REFERENCES: For application of uniform system of accounts to Class C and D public utilities and licensees, see Part 104 of this chapter. For statements and reports, see Part 141 of this chapter. For classification of utilities, see § 101.03–1.

DEFINITIONS

NOTE: In §§ 101.02 to 101.02–43, inclusive, the numbers to the right of the dash correspond with the respective definition numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 4–7. Cross references to accounts are made by citing the account number, e. g., account 100: 6, instead of the corresponding section number (§ 101.100: 6).

§ 101.02–1 *Accounts.* "Accounts" means the accounts prescribed in this system of accounts.

§ 101.02–2 *Actually issued.* "Actually issued", as applied to securities issued or assumed by the utility, means those which have been sold to bona-fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property); also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.

§101.02–3 *Actually outstanding.* "Actually outstanding", as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility; *Provided, however,* That securities held by trustees shall be considered as actually outstanding.

§ 101.02–4 *Amortization.* "Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

§ 101.02–5A *Associated companies.* "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.

§ 101.02–5B *Control.* "Control" (including the terms "controlling", "controlled by", and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract, or any other direct or indirect means.

§ 101.02–6 *Book cost.* "Book cost" means the amount at which property is recorded in these accounts without deduction of related reserves or other accounts. As applied to electric plant, "book cost" means the amount at which property is included in account 100:6 or in accounts 100:1 to 100:4.

§ 101.02–7 *Buildings.* "Buildings." (See Electric plant instruction 10, § 101.3–10.)

§ 101.02–8 *Commission.* "Commission" means the Federal Power Commission.

§ 101.02–9 *Construction cost, components cf.* "Construction cost, components of." (See Electric plant instruction 5, § 101.3–5.)

§ 101.02–10 *Cost.* "Cost" means the amount of money actually paid for property or services or the cash value at the time of the transaction of any consideration other than money. (See, however, Electric plant instruction 3, § 101.3–3.)

§ 101.02–11 *Cost of removal.* ("Cost of removal" means the cost of demolishing, dismantling, tearing down, or otherwise removing electric plant, including the cost of transportation and handling incidental thereto.

§ 101.02–12 *Debt expense.* "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

§ 101.02–13 *Depreciation.* "Depreciation", as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

§ 101.02–14 *Discount.* "Discount", as applied to the securities issued or assumed by the utility, means the excess of the par (stated value of no par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

§ 101.02–15 *Distribution system.* "Distribution system." (See Electric plant instruction 16, § 101.3–16.)

§101.02–16 *Equipment.* "Equipment." (See Electric plant instruction 11, § 101.3–11.)

§ 101.02–17 *Improvements.* "Improvements." (See Electric plant instruction 10, § 101.3–10.)

§ 101.02–18 *Investment advances.* "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of capital stock or long-term obligations, or shall not be subject to current settlement.

§ 101.02–19 *Land and land rights.* "Land and land rights." (See Electric plant instruction 9, § 101.3–9.)

§ 101.02–20 *Licensee.* "Licensee" means any person, State, or municipality licensed under the provisions of the Federal Power Act and subject to the Commission's accounting requirements under the terms of the license.

§ 101.02–21 *Minor items of property.* "Minor items of property" means the associated parts or items of which units of property are composed.

§ 101.02–22 *Municipality.* "Municipality" means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power.

§ 101.02–23 *Net book cost.* "Net book cost", when applied to electric plant, means the book cost less related depreciation and amortization reserves. When applied to other property, it means book cost less related reserves for loss in value.

§ 101.02–24 *Net original cost.* "Net original cost", as applied to electric plant, means the original cost less related depreciation and amortization reserves.

§ 101.02–25 *Net salvage value.* "Net salvage value" means the salvage value of property retired less the cost of removal.

§ 101.02–26 *Nominally issued.* "Nominally issued", as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold or issued direct to trustees of sinking funds in accordance with contractual requirements.

§ 101.02–27 *Nominally outstanding.* "Nominally outstanding", as applied to securities issued or assumed by the utility, means those which, after being actually issued, have been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired, provided, however, that securities held by trustees shall be considered as actually outstanding.

§ 101.02–28 *Nonproject property.* "Nonproject property" means the electric plant of a licensee which is not a part of the project property subject to a license issued by the Commission.

§ 101.02–29 *Original cost.* "Original cost", as applied to electric plant, means the cost of such property to the person first devoting it to public service.

§ 101.02–30 *Person.* "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

§ 101.02–31 *Premium.* "Premium", as applied to the securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no par stocks) or face value and interest or dividends accrued at the date of sale.

§ 101.02–32 *Project.* "Project" means complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights of way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit.

§ 101.02–33 *Project property.* "Project property" means the property described in and subject to a license issued by the Commission.

§ 101.02–34 *Property retired.* "Property retired", as applied to electric plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from electric service.

§ 101.02–35 *Public utility.* "Public utility" means any person who owns or operates facilities subject to the jurisdiction of the Commission under the Federal Power Act. (See section 201 (e) of said act, 49 Stat. 848; 16 U. S. C. 824 (e).)

§ 101.02–36 *Replacing, replacement.* "Replacing" or "replacement", when not otherwise indicated in the context, means the construction or installation of electric plant in place of property retired, together with the removal of the property retired.

§ 101.02–37 *Salvage value.* "Salvage value" means the amount received for

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

§ 101.02–38 *Service value.* "Service value" means the difference between original cost and net salvage value of electric plant.

§ 101.02–39 *State.* "State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States.

§ 101.02–40 *Structures.* "Structures." (See Electric plant instruction 10, § 101.3–10.)

§ 101.02–41 *Transmission system.* "Transmission system." (See Electric plant instruction 16, § 101.3–16.)

§ 101.02–42 *Units of property.* "Units of property" means those items of electric plant which when retired, with or without replacement, are accounted for by crediting the book cost thereof to the electric plant account in which included.

§ 101.02–43 *Utility.* "Utility", as used herein and when not otherwise indicated in the context, means any public utility or licensee to which this system of accounts is applicable.

INSTRUCTIONS, GENERAL

NOTE: In §§ 101.03–1 to 101.03–13, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 8–11. Cross references to accounts are made by citing the account number, e. g., Account 538, instead of the corresponding section number (§ 101.538).

§ 101.03–1 *Classification of utilities.* (a) For the purpose of applying the system of accounts prescribed herein, public utilities and those licensees that are engaged in the generation and sale of electric energy for ultimate distribution to the public are divided into four classes as follows:

Class A. Utilities having either (1) annual electric operating revenues of $750,000 or more, or (2) the original cost of whose electric plant amounts to $4,000,000 or more. Such utilities shall keep all of the accounts applicable to their operations which are prescribed in the main body of this system of accounts.

Class B. Utilities having annual electric operating revenues of more than $250,000 but less than $750,000 and the original cost of whose electric plant amounts to less than $4,000,000. Such utilities shall keep all of the accounts applicable to their operations which are prescribed in the main body of this system of accounts except those operating expense accounts in which the letter B does not appear in the prefix.

Class C. Utilities having annual electric operating revenues of more than $100,000 but not more than $250,000. Such utilities shall keep the accounts applicable to their operations which are prescribed in § 104.1.

Class D. Utilities having annual electric operating revenues of more than $25,000 but not more than $100,000. Such utilities shall keep the accounts applicable to their operations which are prescribed in § 104.1 of this chapter.

(b) The class to which any utility belongs shall be determined by the average of its annual electric operating revenues for the last three consecutive years; *Provided, however,* That if the original cost of electric plant amounts to $4,000,000 at the end of any year, such utility shall be classified as a class A utility for the succeeding year.

(c) Any utility may at its option adopt the system of accounts prescribed herein for any larger class of utilities.

§ 101.03–2 *Records.* (a) Each utility shall so keep its books of account, and all other books, records, and memoranda which support in any way the entries in such books of account, as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis, and verification of all of the facts relevant thereto.

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

(c) No utility shall destroy any books or records which support entries to its accounts unless the destruction thereof is permitted by rules and regulations of the Commission. Until rules and regulations have been issued by the Commission, each utility may continue its existing practice with respect to the retention or destruction of records. Each utility, however, shall file with the Commission within 60 days after the effective date of this system of accounts a statement of its existing practice with reference to the destruction or other disposition of records; the Commission reserves the right to require the utility to make any change in its practice which is deemed necessary for the preservation of adequate information.

(d) Subdivisions of any account in the system of accounts prescribed herein may be kept; *Provided,* That such subdivisions do not impair the integrity of the prescribed accounts. The titles of all such subdivisions or subaccounts shall refer by number or title to the account or accounts of which they are subdivisions.

(e) Clearing accounts, in addition to those prescribed, and temporary or experimental accounts may be kept, *Provided,* Such additional accounts do not impair the integrity of the prescribed accounts.

(f) All charges to the accounts prescribed in this system for electric plant, income, operating revenues, and operating expenses shall be just and reasonable, and any payments by the utility in excess of just and reasonable charges shall be included in Account 538, Miscellaneous Income Deductions.

(g) The numbers prefixed to account titles are to be considered as part of the titles. Each utility may, however, adopt a different system of account numbers: *Provided,* That the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts.

§ 101.03–3 *Accounting period.* Each utility shall keep its books on a monthly basis, so that for each month all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. Unless otherwise authorized by the Commission, each utility shall close its books at the end of each calendar year.

§ 101.03–4 *Submission of questions.* To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the Commission for consideration and decision.

§ 101.03–5 *Items list, interpretation of.* Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

§ 101.03–6 *Delayed items.* (a) The term "delayed items" means items relating to transactions which occurred prior to the current calendar year but which were not recorded in the books of account in the prior year.

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

§ 101.03–7 *Unaudited items.* When, at the end of any year or at such other time as a financial statement may be required by the Commission, it is known that a transaction has occurred which affects the accounts, but the amount involved in the transaction and its effect upon the accounts cannot be determined with absolute accuracy, then the amount shall be estimated and such estimated amount included in the proper accounts. The utility is not required to anticipate minor items which would not appreciably affect the accounts.

§ 101.03–8 *Transactions with associated companies.* Each utility shall so keep its accounts and records as to be

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

§ 101.03–9 *Separate accounts or records for each licensed project.* The accounts or records of each licensee shall be so kept as to show for each project under license:

(a) The actual legitimate investment in the project, including therein the actual legitimate cost (or fair value as determined under section 23 of the Federal Power Act, 49 Stat. 846; 16 U. S. C. 816) of the original project and of additions thereto and betterments thereof and credits for property retired from service as determined under the rules and regulations of the Commission applicable to the project;

(b) The charges for operation and maintenance of the project property directly assignable to the project;

(c) The credits and debits to the depreciation reserve account, and the balance in such account;

(d) The credits and debits to operating revenue, income, and surplus accounts that can be identified with and directly assigned to the project.

NOTE: The purpose of this instruction is to insure that accounts or records are currently maintained by each licensee from which reports may be made to the Commission for use in determining the net investment in each licensed project. The instruction covers only the debit and credit items appearing in the licensee's accounts which may be identified with and assigned directly to any licensed project. In the determination of the net investment as defined in section 3 of the Federal Power Act, allocations of items affecting the net investment may be required where direct assignment is not practicable.

§ 101.03–10 *Depreciation accounting.* Each utility shall record as at the end of each month the estimated amount of depreciation accrued during that month on depreciable electric plant. (See Account 503, Depreciation, and Account 250, Reserve for Depreciation of Electric Plant.)

NOTE A: Depreciation expense applicable to property included in Account 100: 2 Electric Plant Leased to Others, shall be charged to Account 508, Income from Electric Plant Leased to Others.

NOTE B: Depreciation applicable to transportation equipment shall be charged to Account 903, Transportation Expenses—Clearing, and depreciation on general tools and work equipment used in construction work shall be charged to the work or job benefited. The utility may, at its option, distribute depreciation on the latter items through a clearing account and it may also, at its option, charge to clearing accounts, so far as applicable, depreciation on structures and equipment. (See, however, Electric plant instruction 5, item 5, § 101.3–5 (5).)

§ 101.03–11 *Distribution of pay and expenses of employees.* The charges to electric plant, operating expense, and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction and operations, shall be based upon the actual time engaged in the respective classes of work or, in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

§ 101.03–12 *Records for each plant.* Separate records shall be maintained by electric plant accounts of the book cost of each plant owned or operated and of the cost of operating and maintaining each plant. The term "plant", as here used, means each generating station and each transmission line.

NOTE: If a utility operates many transmission lines, it may, with the approval of the Commission, group certain of them for the purpose of complying with this instruction.

§ 101.03–13 *Accounting for other departments.* This system of accounts is designed for use by electric utilities and licensees. If the utility, in addition to its electric operations, operates other departments, it shall keep such accounts for the other departments as may be prescribed by proper authority, and in the absence of prescribed accounts, it shall keep such accounts as are proper or necessary to reflect the results of operating each such other department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized.

INSTRUCTIONS, BALANCE SHEET ACCOUNTS

NOTE: In §§ 101.1–1 to 101.1–9, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 12–15. Cross references to accounts are made by citing the account number, e. g., Account 538, instead of the corresponding section number (§ 101.538).

§ 101.1–1 *Purpose of balance sheet accounts.* The balance sheet accounts are intended to disclose the financial condition of the utility as of a given date by showing its assets and other debits, and liabilities, capital stock, surplus (or deficit), and other credits.

§ 101.1–2 *Current and accrued assets.* (a) Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as Current and Accrued Assets are provided.

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

§ 101.1–3 *Current and accrued liabilities.* (a) Current and accrued liabilities are those obligations which have either matured at the date of the balance sheet or which become due within 1 year from the date thereof, except, however, bonds, receivers' certificates, and similar obligations which shall be classified as long-term debt until date of maturity; accrued taxes, such as income taxes, which shall be classified in the balance sheet as accrued liabilities even though payable more than 1 year from the balance sheet date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities.

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

§ 101.1–4 *Book cost of securities owned.* (a) Securities of others acquired by the utility shall be recorded in these accounts at cost at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends.

(b) The utility may write down the book cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value, if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded, but a permanent impairment in the value of the securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to Account 538, Miscellaneous Income Deductions, or to Account 414, Miscellaneous Debits to Surplus, or to an appropriate reserve account.

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

(d) When securities with a fixed maturity date are purchased at a premium (that is, when the total cost, including

brokerage fees, taxes, commissions, etc., is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same account in which the interest revenue is recorded.

§ 101.1–5 *Discount, expense, and premium on capital stock.* (a) This system of accounts provides separate accounts for discount, expense, and premium on capital stock. These accounts shall be subdivided for each class and series of capital stock issued by the utility. Expenses applicable to capital stock shall not be added to capital stock discount nor deducted from premium on capital stock.

(b) In stating the balance sheet, discount and expense and premium shall not be set-off against each other.

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

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

(e) When capital stock which has been actually issued by the utility is reacquired or retired, the difference between the amount paid therefor upon reacquirement by the utility and the par value (amount at which included in Account 200, Common Capital Stock, or Account 201, Preferred Capital Stock, in the case of stock without par value) plus the premium or less the discount and expense originally entered in respect thereto and not charged off, shall be debited or credited, as the case may be, to Account 270, Capital Surplus: *Provided, however,* That debits shall be charged to Account 414, Miscellaneous Debits to Surplus, if the amounts thereof exceed the balance in Capital Surplus: *And provided further,* That in no event shall debits in excess of accumulated credits from the retirement of stock to be charged to Capital Surplus.

§ 101.1–6 *Discount, expense, and premium on long-term debt.* (a) A discount, expense, and premium account shall be maintained for each class and series of long-term debt (including receivers' certificates) issued or assumed by the utility, in which shall be recorded the discount, expense, and premium associated with the issuance and sale of each such class and series of debt.

(b) In stating the balance sheet, the total of the debit balances (discount plus expense, or expense less premium) remaining, in those accounts having debit balances shall be reported under Account 140, Unamortized Debt Discount and Expense, and the total of the credit balances (premium less expense) remaining in those accounts having credit balances shall be reported under Account 240, Unamortized Premium on Debt. Accounts with debit balances shall not be set-off by accounts with credit balances.

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

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

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

(f) Discount, expense, or premium on debt shall not be included as part of the cost of constructing or acquiring any property, tangible or intangible, except under the provisions of Electric plant instruction 5 (§ 101.3–5).

§ 101.1–7 *Contingent assets and liabilities.* Contingent assets represent a possible source of value to the utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may under certain conditions become obligations of the utility but which are neither direct nor assumed liabilities at the date of the balance sheet. The utility shall be prepared to give a complete statement of contingent assets and liabilities (including cumulative dividends on preference stock) in its annual report and at such other times as may be requested by the Commission.

§ 101.1–8 *Company securities owned.* Securities actually issued or assumed by the company which have been reacquired shall be either retired or carried in Account 152, Reacquired Capital Stock, or Account 153, Reacquired Long-Term Debt, unless it is required by provision of a mortgage, or by decision of a trustee not subject to control by the accounting company, that they be retained alive in sinking or other funds. When so retained they shall be considered as actually outstanding, but not otherwise.

§ 101.1–9 *Nominally issued securities.* (a) Each utility shall maintain, in addition to the capital stock and bond accounts shown in the balance sheet, memorandum debit and credit accounts for securities which have been nominally, but not actually, issued.

(b) When nonpar stock is nominally issued the number of shares issued shall be shown in the memorandum accounts.

(c) Subdivisions shall be maintained under the memorandum accounts for each class of securities.

Balance Sheet Accounts

Assets and Other Debits

Utility plant

Note: In §§ 101.100 to 101.271, inclusive, the numbers to the right of the decimal point (except that a colon has been substituted in each instance where a decimal point was used in the original account number) correspond with the respective account numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 18–36. Cross references to accounts are made by citing the account number, e. g., Account 100:1, instead of the corresponding section number (§ 101.100:1).

§ 101.100 *Electric plant.* There shall be reported by this caption the balances in Accounts 100:1, 100:2, 100:3, 100:4, 100:5, and 100:6.

§ 101.100:1 *Electric plant in service.* (a) This account shall include the original cost of electric plant included in Accounts 301 to 390, together with the amounts recorded in Accounts 391, 392, and 393, owned and used by the utility in its electric utility operations, including such property owned by the utility but held by nominees.

(b) The cost of additions to and betterments of property leased from others shall be recorded in this account, but such cost shall be maintained in subdivisions entirely separate and distinct from those relating to owned property. (See Electric plant instructions 7, § 101.3–7.)

§ 101.100:2 *Electric plant leased to others.* (a) This account shall include the original cost of electric plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

(b) The property included in this account shall be classified according to the detailed Accounts (301 to 393) for electric plant in service (Account 100:1), and this account shall be maintained in such detail as though the property were used by the utility in its electric operations.

§ 101.100–3 *Construction work in progress.* This account shall include the total of the balances of work orders for electric plant in process of construction but not ready for service at the date of the balance sheet.

Note: If a project, such as a hydroelectric project, a steam station, or a transmission line, is designed to consist of two or more units or circuits which may be placed in service at different dates, any expenditures which are common to and which will be used in the

operation of the project as a whole shall be included in electric plant in service upon the completion and the readiness for service of the first unit. Any expenditures which are identified exclusively with units of property not yet in service shall be included in this account.

§ 101.100:4 *Electric plant held for future use.* (a) This account shall include the original cost of electric plant owned and held for use in electric service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in electric service, but held for such service in the future under a definite plan, and property previously used by the utility in electric service, but retired from such service and held pending its reuse in the future, under a definite plan, in electric service.

(b) The property included in this account shall be classified according to the detailed accounts (301 to 393) for electric plant in service and the account shall be maintained in such manner and in such detail as though the property were in service.

NOTE: Materials and supplies, and transformers and meters held in reserve shall not be included in this account.

§ 101.100:5 *Electric plant acquisition adjustments.* (a) This account shall include the difference between (1) the cost to the accounting utility of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (2) the original cost, estimated if not known, of such property, less the amount or amounts which may be credited to the depreciation and amortization reserves of the accounting utility at the time of acquisition with respect to such property. The account shall be so subdivided when practicable as to show the amounts applicable to electric plant in service, electric plant leased to others, and electric plant held for future use. (See Electric plant instructions 2, 3, and 4, §§ 101.3–2, 101.3–3, 101.3–4.)

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

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

§ 101.100:6 *Electric plant in process of reclassification.* (a) There shall be closed to this account the book cost of electric plant (formerly called "fixed capital" in many systems of accounts) as of the effective date hereof. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the electric plant accounts herein prescribed (301–393), but shall not be used for additions, betterments, or new construction.

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

§ 101.107 *Electric plant adjustments.* (a) This account shall include the difference between the original cost, estimated if not known, and the book cost of electric plant, at the effective date of this system of accounts, to the extent that such difference is not properly includible in Account 100:5, Electric Plant Acquisition Adjustments. Write-ups of electric plant prior to the effective date of this system of accounts shall be recorded herein.

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

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

§ 101.108 *Other utility plant.* There shall be included under this caption the balances in accounts for utility plant, other than electric plant, such as gas, railway, etc.

Investment and Fund Accounts

§ 101.110 *Other physical property.* (a) This account shall include the cost to the utility of land, structures, and equipment owned by the utility, but not used in utility service and not properly includible in Account 100:4, Electric Plant Held for Future Use, or in Account 108, Other Utility Plant.

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

§ 101.111 *Investments in associated companies.* There shall be reported by this caption the amounts included in Accounts 111:1 and 111:2.

§ 101.111:1 *Investments in securities of associated companies.* (a) This account shall include the book cost of the utility's investment in securities issued or assumed by associated companies and held as permanent or long-term investments.

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

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

§ 101.111:2 *Advances to associated companies.* (a) This account shall include the amount of investment advances to associated companies and interest accrued on such advances when such interest is not subject to current settlement. (See Account 126, Receivables from Associated Companies.)

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

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

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

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

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

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

§ 101.113 *Sinking funds.* (a) This account shall include the assets held in sinking funds.

(b) A separate account, with appropriate title, shall be kept for each sinking fund.

NOTE: Nothing herein contained shall be construed as preventing a utility from transferring applicable sinking or other funds to Account 121:3, Miscellaneous Special Deposits, for the purpose of paying matured sinking-fund obligations, or obligations called for redemption but not presented, or the interest thereon.

§ 101.114 *Miscellaneous special funds.* There shall be reported by this caption the amounts included in Accounts 114:1, 114:2, and 114:3.

§ 101.114:1 *Depreciation fund.* This account shall include the assets which have been segregated in a special fund for the purpose of identifying such assets with the reserve for depreciation.

§ 101.114:2 *Amortization fund—Federal.* This account shall include the cash and investments of any fund maintained by a licensee pursuant to the requirements of a license, and the cash and investments segregated for the purpose of identifying the specific assets associated with Account 258:1, Amortization Reserve—Federal.

§ 101.114:3 *Miscellaneous special funds.* (a) This account shall include assets which have been segregated in special funds for insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere.

(b) A separate account, with appropriate title, shall be kept for each fund.

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

Current and accrued assets

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

§ 101.121 *Special deposits.* There shall be reported by this caption the amounts included in Accounts 121:1, 121:2, and 121:3.

§ 101.121:1 *Interest special deposits.* Special deposits with fiscal agents or

others for the payment of interest shall be charged to this account. When interest is paid from the deposits, the amount shall be credited to this account and charged to the appropriate accrued interest account.

§ 101.121:2 *Dividend special deposits.* Special deposits with fiscal agents and others for the payment of dividends on behalf of the utility shall be charged to this account. When dividends are paid from these deposits, the amount thereof shall be credited to this account and charged to the appropriate dividends payable account.

§ 101.121:3 *Miscellaneous special deposits.* Special deposits with fiscal agents or others for special purposes other than the payment of interest and dividends shall be charged to this account. Such special deposits may include cash deposited with Federal, State, or municipal authorities as a guaranty for the fulfillment of obligations; cash deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced; and also cash realized from the sale of the accounting utility's securities and deposited with trustees to be held until invested in property of the utility, etc. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amount released. Entries to this account shall specify the purpose for which the deposit is made.

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

NOTE B: Deposits for more than 1 year not offset by current liabilities shall not be charged to this account but to Account 112, Other Investments.

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

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

(b) This account shall be so maintained as to show:

Temporary Cash Investments—Associated Companies.

Temporary Cash Investments—Other.

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

§ 101.124 *Notes receivable.* This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within 1 year from date of issue.

NOTE A: This account shall not include notes receivable from associated companies. (See Account 126: 1, Notes Receivable from Associated Companies.)

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

§ 101.125 *Accounts receivable.* There shall be reported by this caption the balances in Accounts 125:1 and 125:2.

§ 101.125:1 *Accounts receivable—customers.* (a) This account shall include amounts due from customers for utility services, including merchandising, jobbing, and contract work. This account shall not include amounts due from associated companies.

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

§ 101.125:2 *Other accounts receivable.* (a) This account shall include amounts owing the utility upon accounts with concerns or individuals, other than associated companies, and customers for utility services and for merchandising, jobbing, and contract work.

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

§ 101.126 *Receivables from associated companies.* (a) This account shall include the debit balances subject to current settlement in open accounts with associated companies, and notes and drafts upon which associated companies are liable, and which mature and are expected to be paid in full not later than 1 year from date of issuance, together with interest thereon. Items which do not bear a specified due date but which have been carried for more than 90 days and items which are not paid within 90 days from due date shall be transferred to Account 111, Investments in Associated Companies.

(b) This account shall be subdivided as follows:

126:1. Notes Receivable from Associated Companies.

126:2 Accounts Receivable from Associated Companies.

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

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

§ 101.127 *Subscriptions to capital stock.* (a) This account shall include the balance due from subscribers upon legally enforceable subscriptions to capital stock of the utility.

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

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

NOTE A: Interest and dividends receivable from associated companies shall be included in Account 126:2, Accounts Receivable from Associated Companies.

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

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

NOTE: Rents receivable from associated companies shall be included in Account 126:2, Accounts Receivable from Associated Companies.

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

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

§ 101.131 *Materials and supplies.* There shall be reported under this caption the total of the amounts in Accounts 131:1 and 131:2.

§ 101.131:1 *Materials and supplies—electric.* (a) This account shall include the cost of unissued small tools and unapplied materials and supplies (including fuel) held primarily for use in the electric business. The cost shall include, when practicable, the purchase price at the point of free delivery, plus customs duties, excise and other taxes on purchases, insurance, costs of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges.

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

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

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

(1) Re-usable materials consisting of large individual items shall be included in this account at original cost, estimated

if not known. The cost of repairing such items shall be charged to the account appropriate for the previous use. (See also Electric plant instruction 5, § 101.3–5 (e).)

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

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

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

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

NOTE B: There shall not be included in this account materials, supplies, and equipment held primarily for merchandising, jobbing, and contract work or for use in departments other than the electric department. (See Account 131:2.)

§ 101.131:2 *Materials and supplies—other.* This account shall include the cost of all materials and supplies held primarily for merchandising, jobbing, and contract work or for use in departments other than the electric department.

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

§ 101.133 *Other current and accrued assets.* (a) This account shall include current and accrued assets of the general nature defined in Accounts 120 to 132, inclusive, but not properly includible in any of those accounts.

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

Deferred Debits

§ 101.140 *Unamortized debt discount and expense.* This caption shall include the total of the debit balances, of those accounts having debit balances, of the discount, expense, and premium accounts, for all classes of long-term debt. (See Balance sheet instruction 6, § 101.1–6.)

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

(b) The entire loss in service value of depreciable property retired shall be charged to the depreciation reserve. If all, or a portion, of the loss in service value is to be included in this account, the depreciation reserve shall then be credited and this account charged with the amount properly chargeable hereto.

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

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

§ 101.142 *Preliminary survey and investigation charges.* (a) This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited and the appropriate electric plant account charged. If the work is abandoned, the charge shall be to Account 538, Miscellaneous Income Deductions, or Account 414, Miscellaneous Debits to Surplus, unless otherwise authorized or directed by the Commission.

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

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

§ 101.143 *Clearing accounts.* This caption shall include undistributed balances in clearing accounts (see Accounts 901 to 905) at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

§ 101.144 *Retirement work in progress.* This account shall include the total of the balances of work orders for the retirement of electric plant. The amount credited to electric plant shall be charged to this account at the date the property is retired from electric service, and the cost of removal shall be charged to the account as incurred. Credits for salvage and insurance recovered shall be made to this account. Each work order shall be closed to Account 250, Reserve for Depreciation of Electric Plant, upon completion of the removal, in such a manner as to record separately in the reserve the original cost of plant retired, the cost of removal, and the salvage or insurance recovered.

§ 101.145 *Other work in progress.* This account shall include the total of the balances in open work or job orders for work in progress, other than that covered by Accounts 100:3, Construction Work in Progress; 108, Other Utility Property; and 144, Retirement Work in Progress.

§ 101.146 *Other deferred debits.* (a) This account shall include all debits, not elsewhere provided for, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization.

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

Capital Stock Discount and Expense

§ 101.150 *Discount on capital stock.* (a) There shall be reported by this caption all balances in the accounts for discount on capital stock.

(b) The accounts hereunder shall be kept in such manner as to show separately the discount on each class and series of capital stock. (See Balance sheet instruction 5, § 101.1–5.)

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

§ 101.151 *Capital stock expense.* (a) This account shall include all expenses incurred in connection with the issuance and sale of capital stock which are not properly chargeable to electric plant Account 301, Organization, and which have not been charged to Account 414, Miscellaneous Debits to Surplus.

(b) When any issue of capital stock, or portion thereof, has been retired, there

shall be credited to this account the balance herein in respect of such retired stock. (See Balance sheet instruction 5, § 101.1–5.)

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

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

Reacquired Securities

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

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

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

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

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

(b) When the securities are reacquired, the difference between par or face value, adjusted for unamortized discount, expense, or premium, and the amount paid upon reacquisition, shall be debited or credited, as appropriate, to Accounts 414, Miscellaneous Debits to Surplus, or 401, Miscellaneous Credits to Surplus. (See Balance sheet instruction 6, § 101.1–6.)

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

LIABILITIES AND OTHER CREDITS

Capital Stock

§ 101.200 *Common capital stock.* (See § 101.201.)

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

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

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

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

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

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

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

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

§ 101.203 *Premiums and assessments on capital stock.* (a) This account shall include the excess of actual cash value of the consideration received over the par or stated value and accrued dividends, of stock issued, together with assessments against stockholders representing payments required in excess of par or stated values.

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

(c) When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be debited hereto. (See Balance sheet instruction 5, § 101.1–5.)

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

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

§ 101.205 *Installments received on capital stock.* (a) This account shall include the amount of installments received on capital stock on a partial or installment payment plan from subscribers who are not bound by a legally enforceable subscription contract.

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

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

Long-term debt

§ 101.210 *Bonds.* (a) This account shall include the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also the face value of such bonds issued by others the payment of which has been assumed by the utility.

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

NOTE A: For instructions relative to accounting for discount, expense, and premium on long-term debt, see Balance sheet instruction 6 (§ 101.1–6).

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

§ 101.211 *Receivers' certificates.* (a) This account shall include the face value

of certificates of indebtedness issued by receivers in possession of the property and acting under the orders of a court.

(b) Separate subdivisions shall be maintained for each issue of receivers' certificates.

§ 101.212 *Advances from associated companies.* (a) This account shall include the face value of notes owed to associated companies and the amount of open book accounts representing advances from associated companies.

(b) This account shall be subdivided as follows:

212:1 Advances on Notes.
212:2 Advances on Open Accounts.

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

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

§ 101.213 *Miscellaneous long-term debit.* (a) This account shall include until maturity, all long-term debt not otherwise provided for. This covers such items as real estate mortgages, executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption. (See Balance sheet instructions 3, § 101.1–3.)

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

Current and Accrued Liabilities

§ 101.220 *Notes payable.* This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness payable on demand or which by their terms are payable within a time not exceeding 1 year from the date of issue to other than associated companies. (See Balance sheet instruction 3, § 101.1–3.)

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

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

§ 101.223 *Payables to associated companies.* This account shall include amounts owed to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness and open accounts payable on demand or not more than 1 year from date of issue or creation. This account shall be subdivided as follows:

223:1 Notes Payable to Associated Companies.
223:2 Accounts Payable to Associated Companies.

NOTE: Exclude from this account notes and accounts which are includible in Account 212, Advances from Associated Companies.

§ 101.224 *Dividends declared.* This account shall include the amount of dividends which have been declared but not paid. Dividends shall be credited to this account when they become a liability.

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

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

§ 101.227 *Customers' deposits.* This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

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

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

§ 101.229 *Interest accrued.* There shall be reported by this caption the balances included in Accounts 229:1 and 229:2.

§ 101.229:1 *Interest accrued on long-term debt.* This account shall include the amount of interest accrued on the long-term debt of the utility, except interest on advances from associated companies. This account shall not include any interest which is added to the principal of the debt on which incurred.

§ 101.229:2 *Interest accrued on other liabilities.* This account shall include the amount of interest accrued on liabilities of the utility other than long-term liabilities. This account shall not include any interest which is added to the principal of the debt on which incurred.

§ 101.230 *Other current and accrued liabilities.* This account shall include the current and accrued liabilities not provided for elsewhere.

Deferred Credits

§ 101.240 *Unamortized premium on debt.* This caption shall include the total of the credit balances of the discount, expense, and premium accounts, for all classes of long-term debt, including receivers' certificates. (See Balance sheet instruction 6, § 101.1–6.)

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

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

Reserves

§ 101.250 *Reserve for depreciation of electric plant.* (a) This account shall be credited with the following:

(1) Amounts charged to Account 503, Depreciation, to Account 508, Income from Electric Plant Leased to Others, to clearing accounts or to income or other accounts for currently accruing depreciation.

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

(3) Amounts of depreciation applicable to electric properties acquired as operating units or systems. (See Electric plant instruction 4, § 101.3–4.)

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

(5) Amounts of depreciation applicable to electric plant donated to the utility.

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

(c) For balance sheet purposes, this account shall be regarded and treated as a single composite reserve. For purposes of analysis, however, each utility shall maintain records in which the depreciation reserve shall be segregated according to the following functional classification of electric plant: (1) Steam production, (2) hydroproduction, (3) internal-combustion-engine production, (4) transmission, (5) distribution, and (6) general. The credits and debits to the reserve shall be so made as to show separately the amount of the accrual for depreciation, the book cost of property retired, cost of removal, salvage, and other items, including recoveries from insurance.

(d) When transfers of property are made from one utility plant account to another or from or to nonutility property, the accounting shall be as provided in Electric plant instruction 14 (§101.3–14).

(e) This account shall be subdivided as follows:

250:1 Reserve for Depreciation of Electric Plant in Service.
250:2 Reserve for Depreciation of Electric Plant Leased to Others.
250:3 Reserve for Depreciation of Electric Plant Held for Future Use.

§ 101.251 *Reserve for amortization of limited-term electric investments.* (a) This account shall be concurrently credited with amounts charged to Account 504, Amortization of Limited-Term Electric Investments, or, when appropriate, amounts charged to Account 508, Income from Electric Plant Leased to Others.

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

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

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

(e) This account shall be subdivided as follows:

251:1 Reserve for Amortization of Limited-Term Electric Investments—Electric Plant in Service.
251:2 Reserve for Amortization of Limited-Term Electric Investments—Electric Plant Leased to Others.
251:3 Reserve for Amortization of Limited-Term Electric Investments—Electric Plant Held for Future Use.

§ 101.252 *Reserve for amortization of electric plant acquisition adjustments.* This account shall be credited or debited with amounts which the Commission may approve or direct the utility to charge or credit to Account 505, Amortization of Electric Plant Acquisition Adjustments, to Account 537, Miscellaneous Amortization, or to Surplus, for the purpose of providing for the extinguishment of amounts in account 100:5, Electric Plant Acquisition Adjustments.

§ 101.253 *Reserve for depreciation and amortization of other property.* This account shall include the depreciation and amortization reserves applicable to property other than the electric plant of the utility.

§ 101.254 *Reserve for uncollectible accounts.* (a) This account shall be credited each month with amounts reserved for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to Account 783, Uncollectible Accounts, for amounts applicable to electric operations, and to corresponding accounts for other operations.

(b) This account shall be subdivided as follows:

254:1 Utility Customers.
254:2 Merchandising, Jobbing, and Contract Work.
254:3 Associated Companies.
254:4 Officers and Employees.
254:5 Other.

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

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

(b) Charges shall be made to this account for losses covered by self-insurance.

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

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

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

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

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

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

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

(c) Separate accounts shall be kept for each kind of reserve included herein.

§ 101.258 *Other reserves.* There shall be reported by this caption the balances in Accounts 258:1 and 258:2.

§ 101.258:1 *Amortization reserve—Federal.* (a) This account shall be credited with such amounts as are appropriated or set aside by a licensee from surplus earnings for amortization purposes in accordance with the requirements of a license; also the interest derived from the "Amortization Fund—Federal", or income from investments belonging to such fund.

(b) This account shall be debited with only such items or amounts as the Commission may require or approve. (See Account 114:2, Amortization Fund—Federal.)

§ 101.258:2 *Miscellaneous reserves.* (a) This account shall include all reserves maintained by the utility and which are not provided for elsewhere in this system of accounts.

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

Contributions in Aid of Construction

§ 101.265 *Contributions in aid of construction.* (a) This account shall include donations or contributions in cash, services or property from States, municipalities or other governmental agencies, individuals, and others for construction purposes.

(b) The credits to this account shall not be transferred to surplus account or to any other account without the approval of the Commission.

(c) The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, and the amount of donations from (1) States, (2) municipalities, (3) customers, and (4) others.

(d) This account shall be subdivided according to departments (electric, gas, etc.) of the utility.

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

NOTE B: Donations to licensees for project purposes by States, municipalities, individuals, or others, where there is no agreement for refund, shall be credited to a subdivision of this account. When all or any part of a donation is expended for the purposes for which it was donated, or donated property, other than cash, is assigned to a permanent account, the appropriate plant account or accounts shall be debited and this account cleared of such items, credit being made concurrently to Account 393, Donations in Aid of Construction—Credit. (See sec. 3, subsec. 13, of the Federal Power Act, 49 Stat. 839; 16 U. S. C., 796 (13).)

Surplus

§ 101.270 *Capital surplus.* (a) This account shall include all surplus not classified herein as earned surplus. It shall

include credits from sales by the utility of its reacquired capital stock, surplus arising from the retirement and cancellation of the utility's capital stock, from donations by stockholders of the utility's capital stock, from a reduction of the par or stated value of the utility's capital stock, from the forgiveness of debt of the utility, also surplus recorded at a reorganization or in connection with a recapitalization.

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

§ 101.271 *Earned surplus.* This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include surplus includible in Account 270, Capital Surplus.

INSTRUCTIONS, ELECTRIC PLANT ACCOUNTS

NOTE: In §§ 101.3–1 to 101.3–16, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 37–53. Cross references to accounts are made by citing the account number, e. g., Account 100, instead of the corresponding section number (101.100).

§ 101.3–1 *Purpose of electric plant accounts.* (a) The summary electric plant accounts are as follows:

100.	Electric Plant.
100:1	Electric Plant in Service.
100:2	Electric Plant Leased to Others.
100:3	Construction Work in Progress.
100:4	Electric Plant Held for Future Use.
100:5	Electric Plant Acquisition Adjustments.
100:6	Electric Plant in Process of Reclassification.
107.	Electric Plant Adjustments.

(b) Account 100 is a caption by which shall be reported the amounts in Accounts 100:1 to 100:6, inclusive.

(c) Accounts 100:1 to 100:4, inclusive, are designed to show the original cost of electric plant acquired as operating units or systems by purchase, merger, consolidation, liquidation, or otherwise, and the cost to the utility of all other electric plants recorded in these accounts.

(d) Account 100:5 is designed to show the difference between the cost to the utility of electric plant acquired as operating units or systems by purchase, merger, consolidation, liquidation, or otherwise, and the original cost of the plant, due consideration being given to any depreciation or amortization recorded by the accounting utility at the date of acquisition.

(e) Account 100:6 is designed to be used as a control account for electric plant at the effective date of this system of accounts pending the distribution thereof in accordance with the accounts prescribed herein.

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

NOTE: See Balance sheet accounts 100 and 107.

§ 101.3–2 *Classification of electric plant at effective date of system of accounts.* (a) Each utility shall classify its electric plant as of the effective date of this system of accounts in accordance with the electric plant accounts prescribed herein. The classification shall be so made as to show both the original cost and the cost to the utility of its electric plant.

(b) The cost to the utility of its electric plant shall be ascertained by analysis of the utility's records. In ascertaining the cost it is not intended that any correction need be made for depreciation or amortization applicable to operating units or systems previously acquired, whether or not such depreciation or amortization was recorded in the books of the accounting utility. It is likewise not intended that adjustments shall be made to record in electric plant accounts amounts previously charged to operating expenses in accordance with the uniform system of accounts in effect at the time or in accordance with the discretion of management as exercised under such uniform system of accounts.

(c) The detailed electric plant accounts (301 to 390), shall be stated on the basis of cost to the utility of plant constructed by it and the original cost, estimated if not known, of plant acquired as an operating unit or system. The difference between the original cost as above and the cost to the utility of plant includible in Accounts 100:1 to 100:4, after giving effect to any depreciation or amortization recorded by the accounting utility at the time of acquisition, shall be recorded in Account 100:5, Electric Plant Acquisition Adjustments. The original cost of electric plant may be determined by analysis of the utility's records or those of predecessor or vendor companies with respect to electric plant previously acquired as operating units or systems and the difference between the original cost so determined and the cost to the utility, with adjustments for retirements from date of acquisition to the effective date of this system of accounts, shall be entered in Account 100:5, Electric Plant Acquisition Adjustments. When practicable, amounts recorded in Account 100:5 shall be classified according to the nature of the item of which composed. Any difference between the cost of electric plant and its book cost, when not properly includible in other accounts, shall be recorded in Account 107, Electric Plant Adjustments.

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

(e) Pending the classification of electric plant at the effective date of this system of accounts in accordance with the accounts prescribed herein, each utility shall maintain its present accounts with respect to such property as subaccounts of Account 100:6, Electric Plant in Process of Reclassification.

§ 101.3–3 *Electric plant to be recorded at cost.* (a) All amounts included in the accounts for tangible electric plant consisting of plant acquired as an operating unit or system shall be stated at the original cost incurred by the person who first devoted the property to utility service. All other tangible electric plant shall be included in the accounts at the cost incurred by the utility.

(b) All amounts included in the accounts for intangible electric plant shall likewise be stated on the basis provided in paragraph (a) of this section except as otherwise provided in the texts of the intangible accounts.

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

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

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

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

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

credited to Account 265, Contributions in Aid of Construction.

NOTE B: For contributions to project properties, see note B to Account 265, Contributions in Aid of Construction.

§ 101.3–4 *Electric plant purchased.* (a) When electric plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effective date of this system of accounts, the cost of acquisition, including expenses incidental thereto and properly includible in electric plant, shall be charged to Account 100:1, Electric Plant in Service, Subaccount 391, Electric Plant Purchased.

(b) The accounting for the acquisition shall then be completed as follows:

(1) The original cost, estimated if not known, shall be credited to Account 100:1, Electric Plant in Service, Subaccount 391, Electric Plant Purchased, and concurrently charged to Account 100:1, Electric Plant in Service; Account 100:2, Electric Plant Leased to Others; Account 100:3, Construction Work in Progress; Account 100:4, Electric Plant Held for Future Use, as appropriate, and distributed to the detailed accounts which they control.

(2) The depreciation and amortization reserve requirements applicable to the original cost of the properties purchased, if required by the Commission to be recorded by the accounting utility, shall be charged to Account 100:1, Electric Plant in Service, Subaccount 391, Electric Plant Purchased, and concurrently credited to Account 250, Reserve for Depreciation of Electric Plant, and Account 251, Reserve for Amortization of Limited-Term Electric Investments, as appropriate.

(3) The amount remaining in Account 391, Electric Plant Purchased, shall then be closed to Account 100:5, Electric Plant Acquisition Adjustments.

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

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

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

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

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

§ 101.3–5 *Components of construction cost.* The cost of construction properly includible in the electric plant accounts shall include, where applicable, the direct and overhead costs as listed and defined hereunder:

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

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

(c) "Materials and supplies" includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses, and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

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

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

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

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

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

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

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

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

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

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

(m) "Engineering services" includes amounts paid to other companies, firms or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and

assistance in connection with construction work. A copy of the agreement or arrangement under which such services are rendered shall be preserved.

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

(o) "Law expenditures" includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in protection in paragraph (g) of this section, and in injuries and damages in paragraph (h) of this section.

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

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

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

(r) "Earnings and expenses during construction." The earnings and expenses during construction shall constitute a component of construction costs.

(1) The earnings shall include revenues received or earned for power produced by generating plants during the construction period and sold or used by the utility. Where such power is sold to an independent purchaser before intermingling with power generated by other plants, the credit shall consist of the selling price of the energy. Where the power generated by a plant under construction is delivered to the utility's electric system for distribution and sale, or is delivered to an associated company, or is delivered to and used by the utility for purposes other than distribution and sale (for manufacturing or industrial use, for example), the credit shall be the fair value of the energy so delivered. The revenues shall also include rentals for lands, buildings, etc., and miscellaneous receipts not properly includible in other accounts.

(2) The expenses shall consist of the cost of operating the power plant, and other costs incident to the production and delivery of the power for which construction is credited under subparagraph (1), including the cost of repairs and other expenses (but not taxes) of operating and maintaining lands, buildings, and other property, and other miscellaneous and like expenses not properly includible in other accounts.

§ 101.3–6 *Overhead construction costs.* (a) All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes, and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the electric plant accounts at the time the unit of property is retired.

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

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

§ 101.3–7 *Leased property, expenditures on.* (a) Except as provided in paragraph (b) of this section, the cost of initial improvements (including repairs, rearrangements, additions, and betterments) to property leased from others made in the course of preparing the property for service, and the cost of any subsequent additions or betterments to such leased property shall be charged to the electric plant or other property account appropriate for the class of property leased. (See Account 100: 1 and Operating expense instruction 5, § 101.7–5.)

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

§101.3–8 *Temporary facilities.* When property ordinarily having a service life of more than 1 year is installed for temporary use in electric service, it shall be accounted for in the manner prescribed for electric plant in service.

§ 101.3–9 *Land and land rights.* (a) "Land and land rights" means land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, water and water-power rights, diversion rights, submersion rights, rights-of-way, and other like interests in land.

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

(c) Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate interest account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

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

(e) Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land, and each land right, or water right, having a life of more than 1 year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights refer to the original entry recording its acquisition.

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

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

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

(i) The cost of land acquired in excess of that used in electric operations shall be included in Account 110, Other Physical Property, or Account 100:4, Electric Plant Held for Future Use, as appropriate.

(j) When the purchase of land for electric operations requires the purchase of land not to be used for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the estimated fair market value of that portion of the land which is not to be used for electric operations. The fair market value of such land not to be used for electric operations shall be included in Account 110, Other Physical Property.

(k) When the purchase of land for electric operations requires the purchase of land not to be used for such purpose, but held for such purpose, the charge to the specific land account shall be based upon the estimated cost of only that portion which is to be used for electric operations, and the cost of the remaining land shall be included in Account 100:4, Electric Plant Held for Future Use.

(l) Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land. The amortization of limited-term interests in land shall be accomplished in such manner as to apportion equitably the cost of each interest over the life thereof and to produce a charge to operating expenses, for each accounting period, of the account properly chargeable thereto for such period. (See Account 251, Reserve for Amortization of Limited-Term Electric Investments, and Account 504, Amortization of Limited-Term Electric Investments.)

(m) The items of cost to be included in the accounts for land and land rights are as follows:

(1) Bulkheads, buried, not requiring maintenance or replacement.

(2) Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).

(3) Clearing (first cost) the land of brush, trees, and debris; and also tree trimming (first cost), when not chargeable to other electric plant accounts.

(4) Condemnation proceedings, including court and counsel costs.

(5) Consents and abutting damages, payment for.

(6) Conveyancers' and notaries' fees.

(7) Fees, commissions, and salaries to brokers, agents, and others in connection with the acquisition of the land or land rights.

(8) Grading the land, except when directly occasioned by the building of a structure.

(9) Leases, cost of voiding upon purchase to secure possession of land.

(10) Removing, relocating, or reconstructing property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.

(11) Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.

(12) Surveys in connection with the acquisition.

(13) Taxes assumed, accrued to date of transfer of title.

(14) Title, examining, clearing, insuring, and registering in connection with the acquisition, and defending against claims relating to the period prior to the acquisition.

§ 101.3–10 *Structures and improvements.* (a) "Structures and improvements" means all permanent buildings and structures to house, support, or safeguard property or persons, and improvements of a permanent character on or to land.

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

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

(d) Items of cost:

Buildings:

(1) Architects' plans.

(2) Ash pits (when located within the building proper).

(3) Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and plumbing.

(4) Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.

(5) Chimneys.

(6) Coal bins and bunkers.

(7) Commissions and fees to brokers, agents, architects, and others.

(8) Conduit (not to be removed).

(9) Damages to abutting property during construction.

(10) Door checks and door stops.

(11) Drainage and sewerage systems.

(12) Elevators, cranes, hoists, etc., and the machinery for operating them.

(13) Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.

(14) Fire protection systems, when forming a part of a structure.

(15) Floor covering (permanently attached).

(16) Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.

(17) Grading, when directly occasioned by the building of a structure.

(18) Leases, voiding upon purchase, to secure possession of structures.

(19) Leased property, expenditures on.

(20) Lighting fixtures.

(21) Painting, first.

(22) Partitions, including movable.

(23) Permits and privileges.

(24) Platforms, railings, and gratings, when constructed as a part of a structure.

(25) Power boards for services to a building.

(26) Refrigerating systems for general use.

(27) Retaining walls.

(28) Scales, connected to and forming a part of a structure.

(29) Screens.

(30) Sprinkling systems.

(31) Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building.

(32) Storage facilities, constituting a part of a building.

(33) Storm doors and windows.

(34) Subways, areaways, and tunnels, directly connected to and forming part of a structure.

(35) Tunnels, intake and discharge, when constructed as part of a structure.

(36) Vaults constructed as part of a building.

(37) Water-supply system for a building.

(38) Window shades and ventilators.

Other structures and improvements:

(39) Athletic fields.

(40) Docks.

(41) Fences and fence curbs (not including protective fences isolating individual items of equipment, which should be charged to the appropriate equipment account).

(42) Gas- and oil-supply systems, including pipe lines, holders, boosters, etc.

(43) Intrasite communication system poles, pole fixtures, wires, and cables.

(44) Landscaping, lawns, shrubbery, etc.

(45) Roadways, railroads, bridges, and trestles intrasite, except railroads provided for in equipment accounts.

(46) Sewer systems for general use.

(47) Sidewalks, curbs, and streets constructed by the utility.

(48) Water-front improvements.

(49) Water-supply piping, hydrants, and wells.

(50) Yard-drainage systems.

(51) Yard-lighting systems.

(52) Yard surfacing, gravel, concrete, or oil.

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

(e) Items not included in buildings:

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

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

(3) Minor buildings and structures, such as valve towers, patrolmen's towers, telephone stations, etc., which are used directly in connection with or form a part of a reservoir, dam, waterway, etc., shall be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly.

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

(5) Where the structure of a dam forms also the foundation of the power plant building such foundation shall be considered a part of the dam.

§ 101.3–11 *Equipment.* (a) "Equipment" as used in this system of accounts, means all tangible electric plant, other than land and structures as herein defined.

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

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

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

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

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

§ 101.3–12 *Additions and retirements of electric plant*—(a) *Classification of property.* For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of electric plant, all property shall be considered as consisting of (1) units of property and (2) minor items of property.

(b) *Units of property.* Each utility may adopt its own list of units for the purpose of this instruction until such time as the Commission shall prescribe a list of units.

(1) When a unit of property is added to electric plant, the cost thereof shall be added to the appropriate electric plant account, except that when units are acquired in the acquisition of any electric plant constituting an operating system, they shall be accounted for as provided in Electric plant instruction 4 (§ 101.3–4).

(2) When a unit of property is retired from electric plant, with or without replacement, the book cost thereof shall be credited to the electric plant account in which it is included, determined in the manner set forth in paragraph (d) of this section. If the unit of property is of a depreciable class, the book cost of the unit retired and credited to electric plant shall be charged to the depreciation reserve provided for such property. (See paragraph (g) of this section and also Electric plant instruction 13, § 101.3–13.)

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

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the electric plant account in which it is included; and, in the event the minor item is a part of depreciable plant, the depreciation reserve shall be charged with the book cost and cost of removal and credited with the salvage. If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the unit of property of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

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

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

(e) *Land retired.* The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost and the sale price of the land (less commissions and other expenses of making the sale) shall be credited to Account 401, Miscellaneous Credits to Surplus, or debited to Account 414, Miscellaneous Debits to Surplus, as appropriate, unless a reserve therefor has been authorized and provided. If the land is not used in electric service but is retained by the utility, the book cost shall be charged to Account 100:4, Electric Plant Held for Future Use, or Account 110, Other Physical Property, as appropriate.

(f) *Electric plant sold.* When electric plant constituting an operating unit or system is sold, conveyed, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate electric plant accounts, including amounts carried in Account 100:5, Electric Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the depreciation and amortization reserve accounts and in Account 241, Customers' Advances for Construction, and Account 265, Contributions in Aid of Construction, shall be charged to such reserves and accounts. Unless otherwise ordered by the Commission, the difference, if any, between (1) the net amount of debits and credits and (2) the consideration received for the property (less commissions and other expenses of making the sale) shall be included in Account 414, Miscellaneous Debits to Surplus, or Account 401, Miscellaneous Credits to Surplus, as appropriate. (See Account 392, Electric Plant Sold.)

(g) *Service value.* The service value of depreciable electric plant retired shall be charged in its entirety to Account 250, Reserve for Depreciation of Electric Plant. Any amounts which by approval or order of the Commission are charged to Account 141, Extraordinary Property Losses, shall be credited to Account 250, Reserve for Depreciation of Electric Plant.

(h) *Accounting for retirement.* The accounting for the retirement of amounts included in Account 302, Franchises and Consents, and Account 303, Miscellaneous Intangible Plant, and the items of limited-term interest in land in-

cluded in the accounts for land and land rights, shall be as provided for in the text of Account 251, Reserve for Amortization of Limited-Term Electric Investments, and Account 504, Amortization of Limited-Term Electric Investments.

(i) *Entries.* Additions and retirements of electric plant shall not be netted in the entries or in the posting of the entries.

CROSS REFERENCE: For list of units of property, see § 116.2 of this chapter.

101.3–13 *Work order system required.* (a) All changes in electric plant (except the purchase or sale of electric plant constituting an operating unit or system) shall be recorded by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of electric plant or the retirements may be included in the construction work order, *Provided, however,* That all items relating to retirements shall be kept distinctly separate from those relating to construction and provided, further, that any maintenance costs involved in the work shall likewise be kept distinctly separate.

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

§ 101.3–14 *Transfers of property* (a) When property is transferred from one account for electric plant to another, from one utility department to another, such as from electric to gas, from one operating division or area to another, to or from Accounts 100:1, Electric Plant in Service, 100:2, Electric Plant Leased to Others, and 100:4, Electric Plant Held for Future Use, the transfer shall be recorded by transferring the book cost thereof from the one account, department or division to the other, and likewise any related amounts carried in the depreciation or amortization reserves and other accounts shall be transferred in accordance with the segregation of such reserves and other accounts.

(b) When property subject to depreciation or amortization is transferred from the electric plant accounts to Account 110, Other Physical Property, the transfer shall be accomplished by crediting the electric plant accounts and charging the depreciation or amortization reserve with the book cost of the item transferred; the depreciation or amortization reserve shall then be credited and Account 110, Other Physical Property, charged with the estimated fair value of the property transferred.

§ 101.3–15 *Common utility plant.* (a) If the utility is engaged in more than one utility service, such as electric, gas, and street railway, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by utility services currently in the accounts, such property may, but only with the approval of the Commission, be designated and classified as "Common Utility Plant."

(b) The book amount of utility plant designated as common plant shall be included in Account 108, Other Utility Plant, and if applicable in part to the electric department, shall be segregated and accounted for in sub-accounts as electric plant is accounted for in Accounts 100:1 to 100:6, inclusive, and electric plant adjustments in Account 107; any amounts classifiable as common plant acquisition adjustments or common plant adjustments shall be subject to disposition as provided in paragraphs (c) and (d) of Accounts 100.5 and 107, respectively, for amounts classified in those accounts. The original cost of common utility plant in service shall be classified according to detailed utility plant accounts appropriate for the property.

(c) The utility shall be prepared to show at any time and to report to the Commission annually, or more frequently if required, and by utility plant accounts (301 to 393), the following: (1) The book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

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

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

§ 101.3–16 *Transmission and distribution plant.* For the purpose of this system of accounts:

(a) "Transmission system" means: (1) All land, conversion structures, and equipment employed at a primary source of supply (i. e., generating station, or point of receipt in the case of purchased power) to change the voltage or frequency of electric energy for the purpose of its more efficient or convenient transmission; (2) all land, structures, lines, switching and conversion stations, high tension apparatus, and their control and protective equipment between a generating or receiving point and the entrance to a distribution center or wholesale point; and (3) all lines and equipment whose primary purpose is to augment, integrate, or tie together the sources of power supply.

(b) "Distribution system" means all land, structures, conversion equipment, lines, line transformers, and other facilities employed between the primary source of supply (i. e., generating station, or point of receipt in the case of purchased power) and of delivery to customers, which are not includible in transmission system, as defined in paragraph (a), whether or not such land, structures and facilities are operated as part of a transmission system or as part of a distribution system.

NOTE: Stations which change the energy from transmission to distribution voltage shall be classified as distribution stations.

(c) Where poles or towers support both transmission and distribution conductors, the poles, towers, anchors, guys, and rights-of-way shall be classified as transmission system. The conductors, cross arms, braces, grounds, tie-wire, insulators, etc., shall be classified as transmission or distribution facilities, according to the purpose for which used.

(d) Where underground conduit contains both transmission and distribution conductors, the underground conduit and rights-of-way shall be classified as distribution system. The conductors shall be classified as transmission or distribution facilities according to the purpose for which used.

(e) Land (other than rights-of-way) and structures used jointly for transmission and distribution purposes shall be classified as transmission or distribution according to the major use thereof.

ELECTRIC PLANT ACCOUNTS

INTANGIBLE PLANT

NOTE: In §§ 101.301 to 101.393, inclusive, the numbers to the right of the decimal point correspond with the respective account numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 57–83. Cross references to accounts are made by citing the account number, e. g., account 414, instead of the corresponding section number (§ 101.414).

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

ITEMS

(1) Cost of obtaining certificates authorizing an enterprise to engage in the public-utility business.

(2) Fees and expenses for incorporation.

(3) Fees and expenses for mergers or consolidations.

(4) Office expenses incident to organizing the utility.

(5) Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt.

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

§ 101.302 *Franchises and consents.* (a) This account shall include amounts paid to the Federal Government, to a State or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such

franchises, consents, or certificates of permission and approval.

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

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

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

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

§ 101.303 *Miscellaneous intangible plant.* (a) This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of the utility's electric operations and not specifically chargeable to any other account.

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

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

PRODUCTION PLANT

Steam production

§ 101.310 *Land and land rights.* This account shall include the cost of land and land rights employed in connection with steam-power generation. (See Electric plant instruction 9, § 101.3–9.)

§ 101.311 *Structures and improvements.* This account shall include the cost in place of structures and improvements used and useful in connection with steam-power generation. See Electric plant instruction 10, § 101.3–10.)

NOTE: Include steam production roads and railroads in this account.

§ 101.312 *Boiler plant equipment.* This account shall include the cost installed of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam, mercury, or other vapor, to be used primarily for generating electricity.

ITEMS

(1) Ash handling equipment, including hoppers, gates, cars, conveyors, hoists, sluicing equipment, including pumps and motors, sluicing water pipe and fittings, sluicing trenches and accessories, etc., except sluices which are a part of a building.

(2) Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators, and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drives.

(3) Boiler plant cranes and hoists and associated drives.

(4) Boilers and equipment, including boilers and baffles, economizers, superheaters, soot blowers, foundations and settings, water walls, arches, grates, insulation, blow-down system, drying out of new boilers, also associated motors or other power equipment.

(5) Breeching and accessories, including breeching, dampers, soot spouts, hoppers and gates, cinder eliminators, breeching insulation, soot blowers and associated motors.

(6) Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to the transportation of coal, hoppers, downtakes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, magnetic separators, cable ways, housing and supports for coal handling equipment.

(7) Draft equipment, including air preheaters and accessories, induced and forced draft fans, air ducts, combustion control mechanisms, and associated motors or other power equipment.

(8) Gas-burning equipment, including holders, burner equipment and piping, control equipment, etc.

(9) Instruments and devices, including all measuring, indicating, and recording equipment for boiler plant service together with mountings and supports.

(10) Lighting systems.

(11) Oil-burning equipment, including tanks, heaters, pumps with drive, burner equipment and piping, control equipment, etc.

(12) Pulverized fuel equipment, including pulverizers, accessory motors, primary air fans, cyclones and ducts, dryers, pulverized fuel bins, pulverized fuel conveyors and equipment, burners, burner piping, priming equipment, air compressors, motors, etc.

(13) Stacks, including foundations and supports, stack steel and ladders, stack brick work, stack concrete, stack lining, stack painting (first), when set on separate foundations, independent of substructure or superstructure of building.

(14) Station piping, including pipe, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc., for station piping system, including all steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, air piping or piping specifically provided for in Account 313.

(15) Stoker or equivalent feeding equipment, including stokers and accessory motors, clinker grinders, fans and motors, etc.

(16) Ventilating equipment.

(17) Water purification equipment, including softeners and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.

(18) Water-supply systems, including pumps, motors, strainers, raw-water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.

(19) Wood fuel equipment, including hoppers, fuel hogs and accessories, elevators and conveyors, bins and gates, spouts, measuring equipment and associated drives.

NOTE: When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, pipe line, cooling ponds, or where gas or oil is used as a fuel for producing steam and is supplied through a pipe line system owned by the utility, the cost of such special facilities shall be charged to a subdivision of Account 311, Structures and Improvements.

§ 101.313 *Engines and engine driven generators.* This account shall include the cost installed of steam engines, reciprocating or rotary, and their associated auxiliaries; and engine driven main generators, except turbo-generator units.

ITEMS

(1) Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvres, pumps, hoods, etc.

(2) Bolting, shafting, pulleys, reduction gearing, etc.

(3) Circulating pumps, including connections between condensers and intake and discharge tunnels.

(4) Cooling system, including towers, pumps, tank, and piping.

(5) Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.

(6) Cranes, hoists, etc., including items wholly identified with items listed herein.

(7) Engines, reciprocating or rotary.

(8) Fire-extinguishing systems.

(9) Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.

(10) Generators—main, A. C. or D. C., including field rheostats and connections for self-excited units, and excitation systems when identified with the generating unit.

(11) Governors.

(12) Lighting systems.

(13) Lubricating systems, including gages, filters, tanks, pumps, piping, motors, etc.

(14) Mechanical meters, including gages, recording instruments, sampling and testing equipment.

(15) Piping—main exhaust, including connections between generator and condenser and between condenser and hotwell.

(16) Piping—main steam, including connections from main throttle valve to turbine inlet.

(17) Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

(18) Pressure oil system, including accumulators, pumps, piping, motors, etc.

(19) Throttle and inlet valve.

(20) Tunnels, intake and discharge, for condenser system, when not a part of a structure.

(21) Water screens, motors, etc.

§ 101.314 *Turbo-generator units.* This account shall include the cost installed of main turbine driven units and accessory equipment used in generating electricity by steam.

ITEMS

(1) Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvres, pumps, hoods, etc.

(2) Circulating pumps, including connections between condensers and intake and discharge tunnels.

(3) Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.

(4) Cooling system, including towers, pumps, tanks, and piping.

(5) Cranes, hoists, etc., including items wholly identified with items listed herein.

(6) Excitation system, when identified with main generating units.

(7) Fire-extinguishing systems.

(8) Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.

(9) Governors.

(10) Lighting systems.

(11) Lubricating systems, including gages, filters, tanks, pumps, piping, motors, etc.

(12) Mechanical meters, including gages, recording instruments, sampling and testing equipment.
(13) Piping—main exhaust, including connections between turbo-generator and condenser and between condenser and hotwell.
(14) Piping—main steam, including connections from main throttle valve to turbine inlet.
(15) Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
(16) Pressure oil systems, including accumulators, pumps, piping, motors, etc.
(17) Steelwork, specially constructed for apparatus listed herein.
(18) Throttle and inlet valve.
(19) Tunnels, intake and discharge, for condenser system, when not a part of structure, water screens, etc.
(20) Turbo-generators—main, including turbine and generator, field rheostats and electric connections for self-excited units.
(21) Water screens, motors, etc.

§ 101.315 *Accessory electric equipment.* This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by steam power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

NOTE: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

ITEMS

(1) Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
(2) Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.
(3) Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
(4) Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, special fire-extinguishing system, and test equipment.
(5) Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency-control equipment, master clocks, watt-hour meters and synchronoscope in the turbine room, station totalizing wattmeter, boiler-room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

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

§ 101.316 *Miscellaneous power plant equipment.* This account shall include the cost installed of miscellaneous equipment in and about the steam generating plant devoted to general station use, and which is not properly includible in any of the foregoing steam-power production accounts.

ITEMS

(1) Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
(2) Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
(3) Fire-extinguishing equipment for general station use.
(4) Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
(5) Locomotive cranes not includible elsewhere.
(6) Locomotives not includible elsewhere.
(7) Marine equipment, including boats, barges, etc.
(8) Miscellaneous belts, pulleys, countershafts, etc.
(9) Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, insect-control equipment, and other similar equipment.
(10) Railway cars not includible elsewhere.
(11) Refrigerating systems, including compressors, pumps, cooling coils, etc.
(12) Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
(13) Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment listed herein is wholly used in connection with equipment included in another accout its cost shall be included in such other account.

Hydraulic Production

§ 101.320 *Land and land rights.* This account shall include the cost of land and land rights used and useful in connection with hydraulic power generation. (See Electric plant instruction 9, § 101.3–9.)

§ 101.321 *Structures and improvements.* This account shall include the cost in place of structures and improvements used and useful in connection with hydraulic power generation. (See Electric plant instruction 10, § 101.3–10.)

§ 101.322 *Reservoirs, dams, and waterways.* This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation, and delivery of water used primarily for generating electricity.

ITEMS

(1) Bridges and culverts (when not a part of roads or railroads.)
(2) Clearing and preparing land.
(3) Dams, including wasteways, spillways, flashboards, spillway gates with operating and control mechanisms, tunnels, gate houses, and fish ladders.
(4) Dikes and embankments.
(5) Electric system, including conductors, control system, transformers, lighting fixtures, etc.
(6) Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.
(7) Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
(8) Intakes, including trash racks, rack cleaners, control gates and valves with operating mechanisms, and intake house when not a part of station structure.
(9) Platforms, railings, steps, gratings, etc., appurtenant to structures listed herein.
(10) Power lines wholly identified with items included herein.
(11) Retaining walls.
(12) Water conductors and accessories, including canals, tunnels, flumes, penstocks, pipe conductors, forebays, tailraces, navigation locks and operating mechanisms, water-hammer and surge tanks, and supporting trestles and structures.
(13) Water storage reservoirs, including dams, flashboards, spillway gates and operating mechanisms, inlet and outlet tunnels, regulating valves and valve towers, silt and mud sluicing tunnels with valve or gate towers, and all other structures wholly identified with any of the foregoing items.

§ 101.323 *Water wheels, turbines, and generators.* This account shall include the cost installed of water wheels and hydraulic turbines (from connection with penstock or flume to tailrace) and generators driven thereby devoted to the production of electricity by water power or for the production of power for industrial or other purposes, if the equipment used for such purposes is a part of the hydraulic power plant works.

ITEMS

(1) Exciter water wheels and turbines, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
(2) Fire-extinguishing equipment.
(3) Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
(4) Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
(5) Generators—main, A. C. or D. C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
(6) Lighting systems.
(7) Lubricating systems, including gages, filters, tanks, pumps, piping, etc.
(8) Main penstock valves and appurtenances, including main valves, control equipment, bypass valves and fittings, and other accessories.
(9) Main turbines and water wheels, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
(10) Mechanical meters and recording instruments.
(11) Miscellaneous water-wheel equipment, including gages, thermometers, meters, and other instruments.
(12) Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

(13) Scroll case filling and drain system, including gates, pipe, valves, fittings, etc.
(14) Water-actuated pressure-regulator system, including tanks and housings, pipes, valves, fittings and insulation, piers and anchorage, and excavation and backfill.

§ 101.324 *Accessory electric equipment.* This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by hydraulic power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts, such motors being included in the account in which the equipment with which they are associated is included.

NOTE: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

ITEMS

(1) Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
(2) Excitation system, including motor, turbine, and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
(3) Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
(4) Station buses, including main, auxiliary, transfer, synchronizing, and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, special fire-extinguishing system, and test equipment.
(5) Station control system, including station switchboards with panel wiring panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck type boards complete, cubicles, station supervisory control devices, frequency control equipment, master clocks, watt-hour meter, station totalizing wattmeter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housings for batteries, protective screens, doors, etc.

NOTE: When any item of equipment listed herein is used wholly to furnish power to equipment, it shall be included in such equipment account.

§ 101.325 *Miscellaneous power plant equipment.* This account shall include the cost installed of miscellaneous equipment in and about the hydroelectric generating plant which is devoted to general station use and is not properly includible in other hydraulic production accounts.

ITEMS

(1) Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
(2) Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
(3) Fire-extinguishing equipment for general station use.
(4) Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
(5) Locomotive cranes not includible elsewhere.
(6) Locomotives not includible elsewhere.
(7) Marine equipment, including boats, barges, etc.
(8) Miscellaneous belts, pulleys, countershafts, etc.
(9) Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, insect control equipment, signal systems, calliophones, emergency whistles and sirens, fire alarms, and other similar equipment.
(10) Railway cars, not includible elsewhere.
(11) Refrigerating system, including compressors, pumps, cooling coils, etc.
(12) Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
(13) Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein, is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

§ 101.326 *Roads, railroads, and bridges.* This account shall include the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It includes also those roads, etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

ITEMS

(1) Bridges, including foundations, piers, girders, trusses, flooring, etc.
(2) Clearing land.
(3) Railroads, including grading, ballast, ties, rails, culverts, hoists, etc.
(4) Roads, including grading, surfacing, culverts, etc.
(5) Structures, constructed and maintained in connection with items listed herein.
(6) Trails, including grading, surfacing, culverts, etc.
(7) Trestles, including foundations, piers, girders, trusses, flooring, etc.

NOTE A: Roads intended primarily for connecting employees' houses with the power plant shall not be included herein but in Account 321, Structures and Improvements.

NOTE B: Temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall not be included herein but shall be charged to the accounts appropriate for the construction.

Internal Combustion Engine Production

§ 101.330 *Land and land rights.* This account shall include the cost of land and land rights used and useful in connection with internal combustion engine power generation. (See Electric plant instruction 9, § 101.3–9.)

§ 101.331 *Structures and improvements.* This account shall include the cost in place of structures and improvements used and useful in connection with internal combustion engine power generation. (See Electric plant instruction 10, § 101.3–10.)

§ 101.332 *Fuel holders, producers, and accessories.* This account shall include the cost installed of fuel handling and storage equipment used between the point of fuel delivery to the station and the intake pipe through which fuel is directly drawn to the engine, also the cost of gas producers and accessories devoted to the production of gas for use in internal combustion engines driving main electric generators.

ITEMS

(1) Blower and fans.
(2) Boilers and pumps.
(3) Economizers.
(4) Exhauster outfits.
(5) Flues and piping.
(6) Pipe system.
(7) Producers.
(8) Regenerators.
(9) Scrubbers.
(10) Steam injectors.
(11) Tanks for storage of oil, gasoline, etc.
(12) Vaporizers.

§ 101.333 *Internal combustion engines.* This account shall include the cost installed of Diesel or other internal combustion engines devoted to the generation of electric energy, together with their auxiliaries.

ITEMS

(1) Air-filtering system.
(2) Belting, shafting, pulleys, reduction gearing, etc.
(3) Cooling system, including towers, pumps, tanks, and piping.
(4) Cranes, hoists, etc., including items wholly identified with apparatus listed herein.
(5) Engines, Diesel, gasoline, gas, or other internal combustion.
(6) Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
(7) Governors.
(8) Ignition system.
(9) Inlet valve.
(10) Lighting systems.
(11) Lubricating systems, including filters, tanks, pumps, and piping.
(12) Mechanical meters, including gages, recording instruments, sampling, and testing equipment.
(13) Mufflers.
(14) Piping.
(15) Starting systems, compressed air, or other, including compressors and drives, tanks, piping, motors, boards and connections, storage tanks, etc.
(16) Steelwork, specially constructed for apparatus listed herein.
(17) Waste heat boilers, antifluctuators, etc.

§ 101.334 *Generators.* This account shall include the cost installed of internal combustion engine driven main generators.

ITEMS

(1) Cranes, hoists, etc., including items wholly identified with such apparatus.
(2) Fire-extinguishing equipment.
(3) Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.

(4) Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
(5) Generators—main, A. C. or D. C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
(6) Lighting systems.
(7) Lubricating system, including tanks, filters, strainers, pumps, piping, coolers, etc.
(8) Mechanical meters and recording instruments.
(9) Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

§ 101.335 *Accessory electric equipment.* This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by internal combustion power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which it is associated is included.

NOTE: Do not include in this account transformers and other equipment used for changing the voltage or freqency of electric energy for the purpose of transmission or distribution.

ITEMS

(1) Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
(2) Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
(3) Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.
(4) Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, trunk-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature-recording devices, frequency control equipment, master clocks, watt-hour meter, station totalizing wattmeter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.
(5) Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station ground system, special fire-extinguishing system, and test equipment.

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

§ 101.336 *Miscellaneous power plant equipment.* This account shall include the cost installed of miscellaneous equipment in and about the internal combustion engine generating plant, devoted to general station use, and not properly includible in any of the foregoing internal combustion engine production accounts.

ITEMS

(1) Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
(2) Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
(3) Fire-extinguishing equipmemt for general station use.
(4) Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
(5) Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
(6) Miscellaneous belts, pulleys, countershafts, etc.
(7) Refrigerating system including compressors, pumps, cooling coils, etc.
(8) Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
(9) Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein, is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

TRANSMISSION PLANT

§ 101.340 *Land and land rights.* This account shall include the cost of land and land rights used and useful in connection with transmission operations. (See Electric plant instruction 9, § 101.3–9.)

§ 101.341 *Clearing land and rights-of-way.* This account shall include the cost of the initial or original clearing of transmission line land and rights-of-way.

NOTE: The cost of removing stumps, grading, excavating, etc., incident to the preparation of foundations for towers or other structures or to the construction of roads, trails, and bridges, shall not be included in this account but in the accounts directly benefited.

§ 101.342 *Structures and improvements.* This account shall include the cost in place of structures and improvements used and useful in connection with transmission operations. (See Electric plant instruction 10, § 101.3–10.)

§ 101.343 *Station equipment.* This account shall include the cost installed of transforming, conversion, and switching equipment used for the purpose of changing the characteristics of electricity in connection with its transmission or for controlling transmission circuits.

ITEMS

(1) Bus compartments, concrete, brick, and sectional steel, including items permanently attached thereto.
(2) Conduit, including concrete and iron duct runs not part of a building.
(3) Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
(4) Conversion equipment, including transformers, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
(5) Fences.
(6) Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
(7) Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
(8) General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
(9) Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
(10) Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
(11) Switchboards, including meters, relays, control wiring, etc.
(12) Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, and disconnect switches.
(13) Tools and appliances.

§ 101.344 *Towers and fixtures.* This account shall include the cost installed of towers and appurtenant fixtures used for supporting overhead transmission conductors.

ITEMS

(1) Anchors, guys, braces.
(2) Brackets.
(3) Crossarms, including braces.
(4) Excavation, backfill, and disposal of excess excavated material.
(5) Foundations.
(6) Guards.
(7) Insulator pins and suspension bolts.
(8) Ladders and steps.
(9) Railings, etc.
(10) Towers.

§ 101.345 *Poles and fixtures.* This account shall include the cost installed of transmission line poles, wood, steel, concrete, or other material, together with appurtenant fixtures used for supporting overhead transmission conductors.

ITEMS

(1) Anchors, head arm and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
(2) Brackets.
(3) Crossarms and braces.
(4) Excavation and backfill, including disposal of excess excavated material.
(5) Extension arms.
(6) Gaining, roofing, stenciling, and tagging.
(7) Insulator pins and suspension bolts.
(8) Paving.
(9) Pole steps.
(10) Poles, wood, steel, concrete, or other material.
(11) Racks, complete with insulators.
(12) Reinforcing and stubbing.
(13) Settings.
(14) Shaving and painting.

§ 101.346 *Overhead conductors and devices.* This account shall include the cost installed of overhead conductors and devices used for transmission purposes.

ITEMS

(1) Circuit breakers.
(2) Conductors, including insulated and bare wires and cables.
(3) Ground wires and ground clamps.
(4) Insulators, including pin, suspension, and other types.
(5) Lightning arresters.
(6) Switches.
(7) Other line devices.

§ 101.347 *Underground conduit.* This account shall include the cost installed of underground conduit and tunnels used for housing transmission cables or wires. (See Electric plant instruction 16, § 101.3–16.)

ITEMS

(1) Conduit, concrete, brick or tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
(2) Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
(3) Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
(4) Lighting systems.
(5) Manholes, concrete or brick, including iron or steel, frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
(6) Municipal inspection.
(7) Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
(8) Permits.
(9) Protection of street openings.
(10) Removal and relocation of subsurface obstruction.
(11) Sewer connections, including drains, traps, tide valves, check valves, etc.
(12) Sumps, including pumps.
(13) Ventilating equipment.

§ 101.348 *Underground conductors and devices.* This account shall include the cost installed of underground conductors and devices used for transmission purposes.

ITEMS

(1) Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
(2) Armored conductors, submarine, including insulators, insulating materials, splices in terminal chambers, potheads, etc.
(3) Cables in standpipe, including pothead and connection from terminal chamber of manhole to insulators on pole.
(4) Circuit breakers.
(5) Fireproofing, in connection with any items listed herein.
(6) Hollow-core, oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, ventilating equipment, etc.
(7) Lead and fabric covered conductors, including insulators, compound filled, oil filled, or vacuum splices, potheads, etc.
(8) Lightning arresters.
(9) Municipal inspection.
(10) Permits.
(11) Protection of street openings.
(12) Racking of cables.
(13) Switches.
(14) Other line devices.

§ 101.349 *Roads and trails.* This account shall include the cost of roads, trails, and bridges used primarily as transmission facilities.

ITEMS

(1) Bridges, including foundation piers, girders, trusses, flooring, etc.
(2) Clearing land.
(3) Roads, including grading, surfacing, culverts, etc.
(4) Structures, constructed and maintained in connection with items included herein.
(5) Trails, including grading, surfacing, culverts, etc.

NOTE: The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned upon completion of the plant, shall be charged to the account appropriate for the plant constructed.

DISTRIBUTION PLANT

§ 101.350 *Land and land rights.* This account shall include the cost of land and land rights used and useful in connection with distribution operations. (See Electric plant instruction 9, § 101.3–9.)

§ 101.351 *Structures and improvements.* This account shall include the cost in place of structures and improvements used and useful in connection with distribution operations. (See Electric plant instruction 10, § 101.3–10.)

§ 101.352 *Station equipment.* This account shall include the cost installed of station equipment, including transformer banks, etc., which are used for the purpose changing the characteristics of electricity in connection with its distribution.

ITEMS

(1) Bus compartments, concrete, brick and sectional steel, including items permanently attached thereto.
(2) Conduit, including concrete and iron duct runs not part of building.
(3) Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
(4) Conversion equipment, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
(5) Fences.
(6) Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
(7) Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
(8) General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
(9) Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
(10) Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
(11) Switchboards, including meters, relays, control wiring, etc.
(12) Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, disconnect switches.

NOTE: The cost of rectifiers, series transformers, and other special station equipment devoted exclusively to street lighting service shall not be included in this account, but in Account 363, Street Lighting and Signal Systems.

§ 101.353 *Storage battery equipment.* This account shall include the cost installed of storage battery equipment used for the purpose of supplying electricity to meet emergency or peak demands.

ITEMS

(1) Batteries, including elements, tanks, tank insulators, etc.
(2) Battery room connections, including cable or bus runs and connections.
(3) Battery room flooring, when specially laid for supporting batteries.
(4) Charging equipment, including motor generator sets and other charging equipment and connections, and cable runs from generator or station bus to battery room connections.
(5) Miscellaneous equipment, including instruments, water stills, etc.
(6) Switching equipment, including end-cell switches and connections, boards and panels, used exclusively for battery control, not part of general station switchboard.
(7) Ventilating equipment, including fans and motors, louvres, and ducts not part of building.

NOTE: Storage batteries used for control and general station purposes shall not be included in this account but in the account appropriate for their use.

§ 101.354 *Poles, towers, and fixtures.* This account shall include the cost installed of poles, towers, and appurtenant fixtures used for supporting overhead distribution conductors and service wires.

ITEMS

(1) Anchors, head arm, and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
(2) Brackets.
(3) Crossarms and braces.
(4) Excavation and backfill, including disposal of excess excavated material.
(5) Extension arms.
(6) Foundations.
(7) Guards.
(8) Insulator pins and suspension bolts.
(9) Paving.
(10) Pole steps and ladders.
(11) Poles, wood, steel, concrete, or other material.
(12) Racks complete with insulators.
(13) Railings.
(14) Reinforcing and stubbing.
(15) Settings.
(16) Shaving, painting, gaining, roofing, stenciling, and tagging.
(17) Towers.
(18) Transformer racks and platforms.

§ 101.355 *Overhead conductors and devices.* This account shall include the cost installed of overhead conductors and devices used for distribution purposes.

ITEMS

(1) Circuit breakers.
(2) Conductors, including insulated and bare wires and cables.
(3) Ground wires, clamps, etc.
(4) Insulators, including pin, suspension, and other types, and tie wire or clamps.
(5) Lightning arresters.
(6) Railroad and highway crossing guards.
(7) Splices.
(8) Switches.
(9) Other line devices.

NOTE: The cost of conductors used solely for street lighting or signal systems shall not be included in this account but in Account 363, Street Lighting and Signal Systems.

§ 101.356 *Underground conduit.* This account shall include the cost installed of underground conduit and tunnels used for housing distribution cables or wires.

ITEMS

(1) Conduit, concrete, brick and tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.

(2) Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
(3) Foundations and settings specially constructed for and not expected to outlast the apparatus for which constructed.
(4) Lighting systems.
(5) Manholes, concrete or brick, including iron or steel frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
(6) Municipal inspection.
(7) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
(8) Permits.
(9) Protection of street openings.
(10) Removal and relocation of subsurface obstructions.
(11) Sewer connections, including drains, traps, tide valves, check valves, etc.
(12) Sumps, including pumps.
(13) Ventilating equipment.

NOTE: The cost of underground conduit used solely for street lighting or signal systems shall be included in Account 363, Street Lighting and Signal Systems.

§ 102.357 *Underground conductors and devices.* This account shall include the cost installed of underground conductors and devices used for distribution purposes.

ITEMS

(1) Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
(2) Armored conductors, submarine, including insulators, insulating materials, splices in terminal chamber, potheads, etc.
(3) Cables in standpipe, including pothead and connection from terminal chamber or manhole to insulators on pole.
(4) Circuit breakers.
(5) Fireproofing, in connection with any items listed herein.
(6) Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, etc.
(7) Lead and fabric covered conductors, including insulators, compound-filled, oil-filled or vacuum splices, potheads, etc.
(8) Lightning arresters.
(9) Municipal inspection.
(10) Permits.
(11) Protection of street openings.
(12) Racking of cables.
(13) Switches.
(14) Other line devices.

NOTE: The cost of underground conductors and devices used solely for street lighting or signal systems shall be included in Account 363, Street Lighting and Signal Systems.

§ 101.358 *Line transformers.* (a) This account shall include the cost installed of overhead and underground distribution line transformers and pole-type and underground voltage regulators owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer, whether actually in service or held in reserve.

(b) When a transformer is permanently retired from service, the original installed cost thereof shall be credited to this account.

(c) The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various capacities in service and those in reserve, and the location and the use of each transformer.

ITEMS

(1) Installation, labor of (first installation only).
(2) Transformer cut-out boxes.
(3) Transformer lightning arresters.
(4) Transformers, line and network.

NOTE: The cost of removing and resetting line transformers shall not be charged to this accounts but to Account 761, Operation of Lines. The cost of line transformers used solely for street lighting or signal systems shall be included in Account 363, Street Lighting and Signal Systems.

§ 101.359 *Services.* This account shall include the cost installed of all overhead and underground conductors leading from a point where wires leave the last pole of the overhead system or the distribution box or manhole, or the top of the pole of the distribution line, to the point of connection with the customer's outlet or wiring. Conduit used for underground service conductors shall be included herein.

ITEMS

(1) Brackets.
(2) Cables and wires.
(3) Conduit.
(4) Insulators.
(5) Municipal inspection.
(6) Overhead to underground, including conduit or standpipe and conductor from last splice on pole to connection with customer's wiring.
(7) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
(8) Permits.
(9) Protection of street openings.
(10) Service switch.
(11) Suspension wire.

§ 101.360 *Meters.* (a) This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve.

(b) When a meter is permanently retired from service, the installed cost thereof shall be credited to this account.

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

ITEMS

(1) Alternating current watt-hour meters.
(2) Current limiting devices.
(3) Demand indicators.
(4) Demand meters.
(5) Direct current watt-hour meters.
(6) Graphic demand meters.
(7) Installation, labor of (first installation only).
(8) Instrument transformers.
(9) Maximum demand meters.
(10) Meter badges and their attachments.
(11) Meter boards and boxes.
(12) Meter fittings, connections, and shelves (first set).
(13) Meter switches and cut-outs.
(14) Prepayment meters.
(15) Protective devices.
(16) Testing new meters.

NOTE A: This account shall not include meters for recording output of a generating station, substation meters, etc. It includes only those meters used to record energy delivered to customers.

NOTE B: The cost of removing and resetting meters shall be charged to Account 762, Services on Customers' Premises.

§ 101.361 *Installations on customers' premises.* This account shall include the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property. This account shall not include leased equipment, for which see Account 362, Leased Property on Customers' Premises.

ITEMS

(1) Cable vaults.
(2) Commercial lamp equipment.
(3) Foundations and settings specially provided for equipment included herein.
(4) Frequency changer sets.
(5) Motor generator sets.
(6) Motors.
(7) Switchboard panels, high or low tension.
(8) Wire and cable connections to incoming cables.

NOTE: Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract-work activities.

§ 101.362 *Leased property on customers' premises.* This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporations), leased or loaned to customers, but not including property held for sale.

NOTE A: The cost of setting and connecting such appliances or equipment on the premises of customers and the cost of resetting or removal shall not be charged to this account but to operating expenses, Account 762, Services on Customers' Premises.

NOTE B: Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract-work activities.

§ 101.363 *Street lighting and signal systems.* This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police, and other signal systems.

ITEMS

(1) Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
(2) Automatic control equipment.
(3) Conductors, overhead or underground, including lead or fabric covered, parking cables, etc., including splices, insulators, etc.
(4) Lamps, arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
(5) Municipal inspection.
(6) Ornamental lampposts.
(7) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
(8) Permits.
(9) Posts and standards.
(10) Protection of street openings.
(11) Relays or time clocks.
(12) Series contactors.
(13) Switches.
(14) Transformers, pole or underground.

GENERAL PLANT

§ 101.370 *Land and land rights.* (a) This account shall include the cost of land and land rights used for electric plant purposes, the cost of which is not properly includible in other land and land rights accounts. (See Electric plant instruction 9, § 101.3–9.)

(b) Records shall be kept to show separately the cost of land and land

rights devoted to the following uses: Office, transportation, stores, shops, laboratories, communication, and miscellaneous.

§ 101.371 *Structures and improvements.* (a) This account shall include the cost in place of structures and improvements used for electric plant purposes, the cost of which is not properly includible in other structures and improvements accounts. (See Electric plant instruction 10, § 101.3–10.)

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

§ 101.372 *Office furniture and equipment.* (a) This account shall include the cost of all office furniture and equipment owned by the utility and devoted to electric service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts (such as Account 325, Miscellaneous Power Plant Equipment) on a functional basis. Articles of slight value or short service life acquired subsequent to the commencement of operations shall be charged to the appropriate operating expense account and not to this account.

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

ITEMS

(1) Bookcases 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.

§ 101.373 *Transportation equipment.* (a) This account shall include the cost of transportation and garage equipment, when such equipment is not an integral part of the housing structure.

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

ITEMS

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

§ 101.374 *Stores equipment.* (a) This account shall include the cost of equipment used for the receiving, shipping, handling, and storage of materials and supplies.

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

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.

§ 101.375 *Shop equipment.* (a) This account shall include the cost installed of all equipment specially provided for general shops, when such equipment is not an integral part of the housing structure.

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

ITEMS

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

§ 101.376 *Laboratory equipment.* (a) This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts.

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

ITEMS

(1) Ammeters.
(2) Current batteries.
(3) Frequency changers.
(4) Galvanometers.
(5) Inductometers.
(6) Laboratory standard millivolt meters.
(7) Laboratory standard volt meters.
(8) Meter-testing equipment.
(9) Millivolt meters.
(10) Motor generator sets.
(11) Panels.
(12) Phantom loads.
(13) Portable graphic ammeters, voltmeters, and wattmeters.
(14) Portable loading devices.
(15) Potential batteries.
(16) Potentiometers.
(17) Rotating standards.
(18) Standard cell, reactance, resistor, and shunt.
(19) Switchboards.
(20) Synchronous timers.
(21) Testing panels.
(22) Testing resistors.
(23) Transformers.
(24) Voltmeters.
(25) Other testing, laboratory, or research equipment not provided for elsewhere.

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

ITEMS

(1) Air compressors, including driving unit and vehicle.
(2) Boilers.
(3) Cable pulling equipment.
(4) Concrete mixers and distributors.
(5) Derricks.
(6) Engines.
(7) Forges.
(8) Furnaces.
(9) Hoists.
(10) Ladders.
(11) Lathes.
(12) Motors.
(13) Pile drivers.
(14) Pipe machines.
(15) Power saws.
(16) Pumps.
(17) Riveters.
(18) Tool racks.
(19) Vises.
(20) Work benches, etc.

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

ITEMS

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

§ 101.379 *Miscellaneous equipment.* This account shall include the cost of equipment, apparatus, etc., used and useful in the utility's electric operations, and which is not includible in any other account of this system of accounts.

ITEMS

(1) Billiard tables, including equipment.
(2) Bowling alleys, including equipment.
(3) Hospital and infirmary equipment.
(4) Kitchen equipment.
(5) Miscellaneous recreation equipment.
(6) Radios.
(7) Restaurant equipment.

(8) Soda fountains.
(9) Operators' cottage furnishings.
(10) Other miscellaneous equipment.

NOTE: General equipment of the nature indicated above wherever practicable shall be assigned to the electric plant accounts on a functional basis. Thus, to illustrate, recreation equipment at a hydraulic power generating station for the benefit of the station employees shall be included in Account 325, Miscellaneous Power Plant Equipment.

§ 101.390 *Other tangible property.* This account shall include the cost of tangible electric plant not provided for elsewhere.

§ 101.391 *Electric plant purchased.* (a) This account shall include the cost of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, pending the distribution thereof to the appropriate accounts in accordance with Electric plant instruction 4 (§ 101.3–4).

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

§ 101.392 *Electric plant sold.* (a) This account shall be credited temporarily with the selling price of electric plant, constituting an operating unit or system, sold, conveyed, or transferred to another through sale, merger, consolidation, or otherwise, pending the completion of the accounting for the transaction as provided in Electric plant instruction 12 (§ 101.3–12).

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

§ 101.393 *Donations in aid of construction—credit.* This account shall be kept only by licensees. There shall be included herein donations from States, municipalities, individuals, or others which have been expended for project plant, or assigned to the plant account of a project, concurrent debits being made to Account 265, Contributions in Aid of Construction. (See sec. 3, subsec. 13, of the Federal Power Act, 49 Stat. 839; 16 U. S. C. 796 (13), and Account 265.)

INSTRUCTIONS, EARNED SURPLUS ACCOUNT

§ 101.4–1 *Purpose of earned surplus account.* The earned surplus account is the collective title for a group of accounts which form the connecting link between the income account and the balance sheet. The several accounts thereof (400 to 414) are designed to show the changes in earned surplus or deficit during each calendar year resulting from (a) the operations and other transactions during the period as reflected in the income accounts, (b) appropriations or other reservations of earned surplus for specific purposes, (c) accounting adjustments not properly attributable to the period, (d) miscellaneous gains and losses not accounted for elsewhere, and (e) appropriations for dividends.

EARNED SURPLUS ACCOUNT

CREDITS

NOTE: In §§ 101.400 to 101.414, inclusive, the numbers to the right of the decimal point correspond with the respective account numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 85, 86.

§ 101.400 *Credit balance transferred from income account.* This account shall include the net credit balance transferred from the income account for the year.

§ 101.401 *Miscellaneous credits to surplus.* (a) This account shall include all credits affecting the earned surplus or deficit not provided for elsewhere. Among the items which shall be credited to this account are:

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

(2) Delayed income, operating revenue, and operating expense credits as provided in General instruction 6, (§ 101.3–6).

(3) Profits on retirements of the utility's debt securities. (See Balance Sheet instruction 6, § 101.1–6.)

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

DEBITS

§ 101.410 *Debit balance transferred fron income account.* This account shall include the net debit balance transferred from the income account for the year.

§ 101.411 *Dividend appropriations—preferred stock.* (a) This account shall include amounts declared payable out of surplus or earnings as dividends on actually outstanding preferred or prior lien capital stock issued by the utility, or the amounts credited to a reserve for dividends.

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

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

§ 101.412 *Dividend appropriations—common stock.* (a) This account shall include amounts declared payable out of surplus or earnings as dividends on actually outstanding common capital stock issued by the utility, or the amounts credited to a reserve for dividends.

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

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

§ 101.413 *Miscellaneous reservations of surplus.* (a) This account shall include the reservations or appropriations of earned surplus for purposes not provided for elsewhere in this system of accounts.

(b) The entries to this account shall show the nature of each reservation of surplus.

§ 101.414 *Miscellaneous debits to surplus.* (a) This account shall include amounts chargeable to earned surplus not provided for elsewhere. Among the items which shall be charged hereto are:

(1) Amounts charged to earned surplus to cover past accrued depreciation and amortization not provided for.

(2) Decline in value of investments. (See Balance sheet instruction 4, § 101.1–4.)

(3) Delayed income, operating revenue, and operating expense debits as provided in General instruction 6 (§ 101.03–6).

(4) Payments of amounts previously credited to earned surplus.

(5) Losses on reacquirement of utility's debt securities. (See Balance sheet instruction 6, § 101.1–6.)

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

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

INSTRUCTIONS, INCOME ACCOUNTS

NOTE: In §§ 101.5–1 to 101.5–4, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, p. 87. Cross references to accounts are made by citing the account number, e. g., Account 113, instead of the corresponding section number (§ 101.113).

§ 101.5–1 *Purpose of income accounts.* The income accounts (501 to 540) are designed to show for each month and each calendar year the operating revenues and expenses, the other income, the income deductions, the net income, the miscellaneous reservations of net income, and the amount of income or loss remaining for transfer to earned surplus.

§ 101.5–2 *Records for other income.* The records supporting the other income shall be so kept that the utility can furnish detailed statements of the revenues from each source and the expenses and other deductions related to such revenues.

§ 101.5–3 *Income from sinking and other funds.* (a) Interest and other revenues derived from funds carried in Account 113, Sinking Funds, and Account 114, Miscellaneous Special Funds, shall be credited to Account 525, Revenues from Sinking and Other Funds.

(b) When the income is required by a mortgage or other provisions to be held in the fund from which the income arises,

an amount equal to the income shall be added to the fund to which it is applicable.

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

§ 101.5–4 *Rents includible in income accounts.* (a) Rents which the utility receives from others for electric operating property the investment in which is properly includible in Account 100:2, Electric Plant Leased to Others, shall be recorded in Account 508, Income from Electric Plant Leased to Others. Rentals from electric property owned by the utility and property includible in Account 100:1, Electric Plant in Service, shall be credited to Account 610, Rent from Electric Property.

(b) All expenses, including the provision for depreciation and amortization, if any, applicable to property the income from which is included in Account 508, Income from Electric Plant Leased to Others, shall be charged to that account.

INCOME ACCOUNTS

UTILITY OPERATING INCOME

NOTE: In §§ 101.501 to 101.540, inclusive, the numbers to the right of the decimal point (except that a colon has been substituted in each instance where a decimal point was used in the original account number) correspond with the respective account numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 88–95. Cross references to accounts are made by citing the account number, e. g., Account 701, instead of the corresponding section number (§ 101.701).

§ 101.501 *Operating revenues.* Under this caption shall be included the total operating revenues shown in the primary revenue Accounts 600 to 615, derived by the utility from its electric utility operations during the period covered by the income account.

§ 101.502 *Operating expenses.* Under this caption shall be included the total expenses shown in Accounts 701 to 809, incurred by the utility in its electric operations during the period covered by the income account.

§ 101.503 *Depreciation.* This account shall include the depreciation expense applicable to electric plant in service (Account 100:1) for the period covered by the income account, except such depreciation expense as may be charged to clearing accounts or to construction work in progress. This account shall be subdivided as follows:

503:1 Depreciation of Steam Production Plant.
503:2 Depreciation of Hydraulic Production Plant.
503:3 Depreciation of Internal Combustion Engine Production Plant.
503:4 Depreciation of Transmission Plant.
503:5 Depreciation of Distribution Plant.
503:6 Depreciation of General Plant.

§ 101.504 *Amortization of limited-term electric investments.* This account shall include the amount of amortization expense for the period covered by the income account applicable to the amounts included in electric plant accounts for limited-term franchises, licenses, patent rights, and limited-term interests in land. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See Account 251, Reserve for Amortization of Limited-Term Electric Investments.) This account shall be subdivided as follows:

504:1 Amortization of Steam Production Plant.
504:2 Amortization of Hydraulic Production Plant.
504:3 Amortization of Internal Combustion Engine Production Plant.
504:4 Amortization of Transmission Plant.
504:5 Amortization of Distribution Plant.
504:6 Amortization of General Plant.

§ 101.505 *Amortization of electric plant acquisition adjustments.* (a) This account shall be debited or credited, as the case may be, with amounts includible in operating revenue deductions for the purpose of providing for the extinguishment of the amount in Account 100:5, Electric Plant Acquisition Adjustments, pursuant to approval or order of the Commission.

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

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

§ 101.507 *Taxes.* (a) This account shall include the amount of Federal, State, county, municipal, and other taxes, which are properly chargeable to electric operations. (See Account 228.)

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

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

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

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

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

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

NOTE C: Taxes on non-operating property the income from which is included in Account 521, Income from Non-Utility Operations, shall be charged to that account, and taxes on property the income from which is included in Account 522, Revenues from Lease of Other Physical Property, shall be charged to Account 527, Non-operating Revenue Deductions.

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

NOTE E: For taxes chargeable to merchandising, jobbing, and contract work and to clearing accounts, see Account 789 and Accounts 901 to 905.

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

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

NOTE H: Taxes applicable to electric construction shall be charged to Account 100:3, Construction Work in Progress.

§ 101.508 *Income from electric plant leased to others.* (a) This account shall include the rental income from electric property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in Account 100:2, Electric Plant Leased to Others.

(b) This account shall be subdivided as follows:

508:1 Revenues from Plant Leased to Others.
508:2 Expenses of Plant Leased to Others.

(c) This account shall be so kept or supported as to show separately the following for each lease:

(1) Rentals.
(2) Expenses.
(3) Depreciation and amortization.
(4) Taxes.
(5) Uncollectible rents.

§ 101.509 *Other utility operating income.* (a) Under this caption shall be included the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in Account 108, Other Utility Plant.

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

OTHER INCOME

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

(b) The account shall be subdivided as follows:

520:1 Revenues from Merchandising, Jobbing, and Contract Work.
520:2 Costs and Expenses of Merchandising, Jobbing, and Contract Work.

Account 520:2 shall be further subdivided so as to show the major items of costs and expenses.

NOTE: The income from electric merchandising, jobbing, and contract work shall be reported in this account, if a State regulatory body having jurisdiction over the utility requires such income to be reported as other income; but the amount shall be reported in Account 789, Merchandising, Jobbing, and Contract Work, if such regulatory body requires the income to be reported as an operating income or expense item. In the absence of a requirement by a State regulatory body, the utility may use this account or Account 789 at its option, in which case the practice of the utility must be consistent. (See Account 789 for list of items.)

§ 101.521 *Income from non-utility operations.* (a) This account shall include the revenues from and the expenses incurred in non-utility operations.

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

§ 101.522 *Revenues from lease of other physical property.* (a) This account shall include all rent revenues from land, buildings, or other property not devoted to utility operations.

(b) All expenses, such as repairs, depreciation, taxes, uncollectible rents, etc., incurred in connection with the property leased, shall be charged to Account 527, Non-Operating Revenue Deductions.

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

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

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

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

§ 101.524 *Interest revenues.* Report by this caption the amounts included in accounts 524:1 and 524:2.

§ 101.524:1 *Interest on securities owned.* This account shall include interest revenues on investments in securities of other companies.

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

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

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

NOTE D: This account may include for each month the applicable amount requisite to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the par value of securities on which the interest is received. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. (See Balance sheet instruction 4, § 101.1–4.)

§ 101.524:2 *Other interest revenues.* This account shall include interest revenues on loans, notes, advances, special deposits, and all other interest-bearing assets, except as provided in Account 524:1.

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

§ 101.525 *Revenues from sinking and other funds.* (a) This account shall include all revenues (whether interest or dividends) accrued on cash, securities, or other assets held in Account 113, Sinking Funds, and Account 114, Miscellaneous Special Funds.

(b) This account may include for each month the applicable amount requisite to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the par value of debt securities held in sinking or other funds. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. (See Balance sheet instruction 4, § 101.1–4.)

(c) This account covers all revenues from sinking and other funds carried in Accounts 113 and 114, whether or not such revenues are required to be retained in the funds. If the revenues are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretions to the fund shall be concurrently credited to the appropriate reserve account and charged to Account 540, Miscellaneous Reservations of Net Income, or Account 413, Miscellaneous Reservations of Surplus, as appropriate.

§ 101.526 *Miscellaneous non-operating revenues.* This account shall include all revenue items, properly includible in the income account and not provided for elsewhere.

ITEMS

(1) Fees collected in connection with the exchange of coupon bonds for registered bonds.

(2) Profits from operations of others realized by the utility under contracts.

§ 101.527 *Non-operating revenue deductions.* (a) This account shall include the expenses, taxes, and uncollectible bills applicable to the period covered by the income account which are associated or incurred in connection with the revenues which are includible in Accounts 522 to 526.

(b) This account shall be maintained or supported in such manner as to disclose the expenses or deductions applicable to each non-operating revenue account.

INCOME DEDUCTIONS

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

(b) The amount charged to this account shall be credited concurrently to Account 229:1, Interest Accrued on Long-Term Debt.

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

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

§ 101.531 *Amortization of debt discount and expense.* (a) This account shall include in each accounting period the portion of unamortized debt discount and expense on outstanding long-term debt which is applicable to such period.

(b) The amount of unamortized debt discount and expense chargeable to each accounting period shall be determined in accordance with Balance sheet instruction 6 (§ 101.1–6).

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

§ 101.532 *Amortization of premium on debt—credit.* (a) This account shall include in each accounting period the portion of unamortized premium on outstanding long-term debt which is applicable to such period.

(b) The amount of unamortized premium on debt includible in each accounting period shall be determined in accordance with Balance sheet instruction 6 (§ 101.1–6).

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

§ 101.533 *Taxes assumed on interest.* This account shall include amounts paid to holders of the bonds or other indebtedness of the utility, or amounts paid to governmental agencies in their behalf in respect to income and other taxes levied against the income from such debt or levied as a tax on ownership of the debt, where such taxes are assumed by the utility.

§ 101.534 *Interest on debt to associated companies.* There shall be reported by this caption the amounts included in Accounts 534:1 and 534:2.

§ 101.534:1 *Interest on advances from associated companies.* (a) This account shall include interest accrued on advances from associated companies and included in Account 212, Advances from 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 on which the interest is accrued.

§ 101.534:2 *Interest on other debt to associated companies.* (a) This account shall include interest accrued on amounts recorded in Account 223:1, Notes Payable to Associated Companies, on amounts recorded in Account 223:2, Accounts Payable to Associated Companies, and on any

other obligation to associated companies, except advances from such companies, the interest on which shall be included in Account 534:1.

(b) The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest, the nature of the obligation on which accrued, and the account or accounts credited with the accrual.

§ 101.535 *Other interest charges.* (a) This account shall include all interest charges not provided for elsewhere.

(b) A list of some of the items of indebtedness, the interest on which is chargeable to this account, follows:

(1) Assessments for public improvements past due.
(2) Claims and judgments.
(3) Customers' deposits.
(4) Notes payable on demand or maturing one year or less from date, except notes payable to associated companies.
(5) Open accounts, except with associated companies.
(6) Tax assessments past due.

§ 101.536 *Interest charged to construction—credit.* This account shall include concurrent credits for interest charged to construction in accordance with Electric plant instruction 5 (17) (§ 101.3–5 (q)).

§ 101.537 *Miscellaneous amortization.* This account shall include amortization expenses not elsewhere provided for in this system of accounts, and also such amounts as the Commission may, by order, require to be included herein, such as amortization of amounts in Account 100:5, Electric Plant Acquisition Adjustments.

§ 101.538 *Miscellaneous income deductions.* This account shall include miscellaneous debits to income, not provided for elsewhere.

ITEMS

(1) Decline in value of investments. (See Balance sheet instruction 4, § 101.1–4.)
(2) Donations.
(3) Expenditures for associated companies for which the utility will not be reimbursed.

DISPOSITION OF NET INCOME

§ 101.540 *Miscellaneous reservations of net income.* (a) This account shall include reservations of net income, such as may be required under the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements, and other reservations of net income.

(b) Amounts charged to this account shall be credited concurrently to the appropriate reserve account.

(c) The entries in this account shall show the nature of each reservation of income.

INSTRUCTIONS, OPERATING REVENUE ACCOUNTS

NOTE: In §§ 101.6–1 to 101.6–7, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for public utilities and licenses, Federal Power Commission, effective Jan. 1, 1937, pp. 96, 97. Cross references to accounts are made by citing the account numbers, e. g., Account 130, instead of the corresponding section number (§ 101.130).

§ 101.6–1 *Purpose of operating revenue accounts.* The operating revenue accounts (600 to 615) are designed to show the amounts of money which the utility becomes entitled to receive from furnishing electric utility service and from service incidental thereto, including amounts for services rendered but not yet billed where the utility exercises its option and records on its books such accrued electric revenue. (See Account 130, Accrued Utility Revenues.)

§ 101.6–2 *Basis of credits to operating revenue accounts.* Credits to the operating revenue accounts shall be made on the basis of the net price charged. Discounts forfeited and penalties charged for delayed payments shall be credited to Accounts 612, Customers' Forfeited Discounts and Penalties. Corrections of overcharges and overcollections theretofore credited, authorized abatements and allowances, and other corrections shall be charged to the revenue accounts to which they relate.

§ 101.6–3 *Commissions on electric sales.* If the utility distributes all or a part of its electric energy through an agent but the sales are made to consumers under rate schedules filed by the utility, then the utility shall credit its revenue accounts with the full amount of sales to consumers. The commission paid to the agent shall be charged to Account 804, Commissions Paid Under Agency Sales Contracts, and any distribution expenses charged by the agent shall be debited to the appropriate expense accounts. Agents shall credit the amount of commissions earned to operating revenue Account 615, Miscellaneous Electric Revenues.

§ 101.6–4 *Electricity supplied without direct charge.* Electricity supplied to municipalities, or to other governmental units, without charge, in accordance with franchise and similar requirements, shall be charged to Account 805, Franchise Requirements, and credited concurrently to Account 806, Duplicate Miscellaneous Charges—Credit.

§ 101.6–5 *Electricity used by utility.* (a) If the utility desires to charge the appropriate accounts in any of its electric operations with the cost of electricity used from its own supply, the credit therefor shall not be made to operating revenue accounts, but to Account 806, Duplicate Miscellaneous Charges—Credit.

(b) Electricity supplied by the utility from its own supply to other departments shall be accounted for in the following manner: If the energy is supplied under a definite arrangement whereby the actual costs, by accounts, are allocated between or among the departments using the energy, the credit in the accounts of the electric department shall be made to the appropriate joint expense credit account or accounts, except that the amount of any return or interest, and the amount of depreciation and taxes charged against the other departments shall be credited to Account 611, Interdepartmental Rents. If the charges are at tariff or other specified rates for the energy supplied, then the entire amount charged shall be credited to Account 607, Interdepartmental Sales.

§ 101.6–6 *Supporting records.* Each utility shall so keep the records supporting the entries to each electric operating revenue account that it can furnish (a) the name of each customer, (b) the quantity of electric energy furnished to each customer, (c) the amount charged for electric energy furnished each customer, and (d) the rate schedule or schedules under which the charge is made. Each utility shall also be prepared to report upon request, within a reasonable time, for each month or other billing period and for each year, the quantity of energy sold and the charges therefor, by rate schedules.

§ 101.6–7 *Segregation of sales to associated companies.* The utility shall keep its records in such manner as to be able to report the amount of sales, by rate schedules, and the kilowatt-hours sold to each associated company.

OPERATING REVENUE ACCOUNTS

SALES OF ELECTRIC ENERGY

NOTE: In §§ 101.600 to 101.615, inclusive, the numbers to the right of the decimal point correspond with the respective account numbers in uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 99–101. Cross references to accounts are made by citing the account number, e. g., Account 602, instead of the corresponding section number (§ 101.602).

§ 101.600 *Residential or domestic sales.* (a) This account shall include revenues from electric energy supplied for residential or domestic purposes.

(b) When electric energy supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account, or Account 602, Commercial and Industrial Sales, according to the principal use.

NOTE: Exclude from this account and include in Account 601, Rural Sales, revenues from electric energy supplied to rural and farm customers under rate schedules which are applicable to rural and farm customers only.

§ 101.601 *Rural sales.* This account shall include revenues from electric energy supplied to rural and farm customers and billed under distinct rural or farm rates.

§ 101.602 *Commercial and industrial sales.* (a) This account shall include revenues from electric energy supplied for commercial and industrial purposes.

(b) When electricity supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account, or in Account 600, Residential or Domestic Sales, according to the principal use.

§ 101.603 *Public street and highway lighting.* This account shall include revenues from electric energy supplied and services rendered for the purpose of lighting streets, highways, parks, and other public places for municipalities or other divisions or agencies of State or Federal Government.

§ 101.604 *Other sales to public authorities.* This account shall include the revenues from the sale of electric energy 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, except such revenues as are includible in Accounts 603 and 605.

§ 101.605 *Sales to other electric utilities.* (a) This account shall include revenues from electric energy supplied to other electric utilities or to public authorities for distribution.

(b) Revenues from electric energy supplied to other public utilities for use by them and not for distribution shall be included in the Account 602, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

§ 101.606 *Sales to railroads and railways.* This account shall include revenues derived from electric energy supplied to railroads and interurban and street railways for general railroad use, including the propulsion of cars or locomotives, where such energy is supplied under separate and distinct rate schedules.

§ 101.607 *Interdepartmental sales.* This account shall include the amounts charged to other departments of the utility by the electric department for energy supplied by the latter, if the charges are at tariff or other specified rates for the energy supplied. (See Operating revenue instruction 5 (§ 101.6–5) and Account 611, Interdepartmental Rents.)

§ 101.608 *Other sales.* This account shall include revenues derived from electric energy supplied users and which are not properly includible in the revenue Accounts 600 to 607.

OTHER ELECTRIC REVENUES

§ 101.610 *Rent from electric property.* (a) This account shall include rents received for the use by others of land, buildings, and other property devoted to electric operations by the utility. This covers such matters as rent from pole attachments, buildings, stations, land, etc.

(b) When any company employs some of its electric plant for the benefit of another or others under a definite arrangement for apportioning the actual expenses by accounts among the several participants in the arrangement, and such arrangement provides for the receipt by the accounting utility of any profit or return upon its property, such profit or return, together with the amount of depreciation and taxes charged to another or others pursuant to the arrangement, shall be credited to this account. (See Operating expense instruction 6, § 101.7–6.)

NOTE: Do not include rents from property constituting an operating unit or system in this account. (See Account 508, Income from Electric Plant Leased to Others.)

§ 101.611 *Interdepartmental rents.* This account shall include the rents creditable to the electric department on account of rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate the costs, by accounts, among the departments using the property, the reimbursement to the electric department for operating and maintenance expenses shall be credited to the appropriate joint expense credit account or accounts, but the reimbursement for interest or return and depreciation and taxes shall be credited to this account. (See Operating expense instruction 6, § 101.7–6.)

NOTE: Charges for energy supplied other departments at tariff or other specified rates shall not be included in this account but in Account 607, Interdepartmental Sales. (See Operating revenue instruction 5, § 101.6–5.)

§ 101.612 *Customers' forfeited discounts and penalties.* This account shall include the amounts which the utility allows its customers on condition that they pay their electric bills on or before a specified date and which are forfeited by the customers because of failure to pay within the specified time, as well as the amounts of penalties imposed by the utility on its customers because of failure to pay bills within a specified time.

§ 101.613 *Sales of water and water power.* (a) This account shall include revenues derived from the sale of water for irrigation, domestic, industrial, or other uses, or for the development by others of water power; also, revenues derived from furnishing water power for mechanical purposes when the investment in the property used in supplying such water or water power is carried in Account 101:1, Electric Plant in Service.

(b) The records for this account shall be kept in such manner as to permit an analysis of the rates charged and the purposes for which the water was used, such as city water supply, development of electricity by other utilities, industrial uses, irrigation, etc.

§ 101.614 *Servicing of customers' installations.* This account shall include revenues accruing to the utility from charges to customers on account of the maintenance of appliances, wiring, piping, or other installations on customers' premises.

§ 101.615 *Miscellaneous electric revenues.* This account shall include revenues derived from electric operations not includible in any of the foregoing accounts. This covers such items as fees and charges for changing, connecting, and disconnecting service, profit on the sale of materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of others' electric energy (sold under rates filed by such others), management or supervision fees, sale of steam (except where the utility furnishes steam-heating service), and rentals from property included in Account 362, Leased Property on Customers' Premises.

INSTRUCTIONS, OPERATING EXPENSE ACCOUNTS

NOTE: §§ 101.7–1 to 101.7–7, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 102–105. Cross references to accounts are made by citing the account number, e. g., Account 799, instead of the corresponding section number (§ 101.799).

§ 101.7–1 *Purpose of operating expense accounts.* The operating expense accounts (701 to 809) are designed to show in detail the cost (except depreciation, amortization, certain property losses, and taxes) of furnishing electric utility service. (See General instructions 6 and 7, §§ 101.03–6, 101.03–7.)

§ 101.7–2 *Maintenance, cost of.* (a) The cost of maintenance chargeable to the various operating expense accounts and to clearing accounts includes labor, materials, overhead, and other expenses incurred in maintenance work, such as:

(1) Associated costs of local plant supervision.

(2) Cost of transportation, shop and stores expense, and use of tools and implements.

(3) Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs.

(4) Inspecting and testing after repairs have been made.

(5) Inspecting, testing (except routine tests of transformers and meters), and reporting on the condition of electric plant in service specifically to determine the need for repairs, minor replacements, rearrangements, and changes.

(6) Replacing minor items of plant. (See Electric plant instruction 12 (c), § 101.3–12 (c).)

(7) Rearranging and changing the location of property not retired.

(8) Repairing materials for reuse.

(9) Restoring the condition of property damaged by storms, breakage, floods, fire, accident, or other casualties. (See paragraph (b) of this section.)

(10) Restoring the condition of property damaged by wear and tear, decay, or action of the elements. (See paragraph (b) of this section.)

(11) Routine work (see also paragraph (b) of this section) to prevent trouble, such as pulling up slack, tightening guys, and raking guy stubs, straightening poles and crossarms, and cleaning and adjusting equipment.

(12) Testing for, locating, and clearing trouble.

(13) Training employees for maintenance work.

(b) The cost of maintenance does not include the cost of replacing items of property designated as "units of property." (See Electric plant instruction 12, § 101.3–12.)

(c) Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

(d) If the book cost of any property is carried in Account 391, Electric Plant Purchased, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other electric-plant-in-service accounts. Maintenance of property leased from others shall be treated as

provided in Operating expense instruction 5 (§ 101.7–5).

§ 101.7–3 *Salvage and insurance.* (a) Salvage and insurance recovered in connection with maintenance jobs shall be credited to the appropriate maintenance accounts.

(b) If the amount of insurance recovered is relatively large, and is received before the repairs have been completed, a disproportionate credit to operating expenses may be avoided by crediting the amount of the insurance recovered to a suspense account, to which the cost of repairs shall then be charged to the extent covered by insurance.

(c) Insurance recovered in connection with personal injuries charged to Account 799, Injuries and Damages, shall be credited to that account.

(d) Dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

(e) Recoveries under fidelity bonds shall be credited to the account charged with the loss.

§ 101.7–4 *Supervision and engineering.* The supervision and engineering includible in the operating expense accounts shall consist of the pay and expenses (company and railroad transportation, lodging, meals, taxi and car fares, and other traveling and incidental expenses) of superintendents, engineers, clerks, other employees, and consultants engaged in supervising and directing the operations and maintenance of each electric utility function; also office supplies and expenses, including the maintenance of office furniture and equipment. Wherever allocations are necessary in order to arrive at the amount to be included in any account, the method and basis of allocation shall be preserved.

§ 101.7–5 *Operating rents.* (a) Rent expense accounts are provided under each functional group of expense accounts. These accounts shall be charged with all rents paid for property used in electric operations. If the rents cover property used for more than one function, such as production and transmission, the rents shall be apportioned to the appropriate rent expense accounts on an actual, or, if necessary, an estimated basis.

(b) Rents paid for property devoted to operations for which clearing accounts are used shall be charged to the appropriate clearing accounts.

(c) The cost, when incurred by the lessee, of operating and maintaining leased property shall be charged to the accounts appropriate for the expense if the property were owned.

(d) Taxes paid by the lessee upon leased property shall be charged to the appropriate rent expense or clearing account.

(e) When the lessee is responsible for the replacement of electric plant leased from others, the cost of replacements shall be charged to the appropriate rent expense or clearing account, unless a reserve therefor has been provided, in which event the charge shall be to the reserve. (See Electric plant instruction 7, § 101.3–7.)

(f) When a portion of property or equipment rented from others for use in connection with electric operations is subleased, the revenue derived from such subleasing shall be credited to Account 610, Rent from Electric Property: *Provided, however,* That in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

(g) If leased property is used by more than one department, the rental on such property shall be apportioned to the appropriate rent or clearing accounts of the various departments of the utility.

(h) Property operated jointly by the utility and another, or others, under a definite arrangement whereby the actual segregated costs are shared between or among the parties shall be considered for the purpose of this system of accounts as a joint facility, and the accounting in connection therewith shall be handled as provided in Operating expense instruction 6 (§ 101.7–6).

§ 101.7–6 *Joint facility rents and expenses.* (a) A joint facility for the purpose of this system of accounts is defined as any property occupied or used jointly by the utility and another or others under a definite arrangement whereby the actual segregated costs are shared between or among the parties. Property of the utility occupied or used under a similar definite arrangement between the electric department and a coordinate department, or departments, shall likewise be considered as a joint facility. (See Operating revenue instruction 5, § 101.6–5.)

(b) Where the utility owns the joint facility, any amount received or transferred as reimbursement of operating or maintenance expenses shall be credited to the appropriate "joint expense—credit" or clearing account except credits for steam transferred, which shall be entered in Account 712, Steam Transferred—Credit; amounts received or transferred covering depreciation, taxes, and interest or return shall be credited, in the case of another or others, to Account 610, Rent from Electric Property, and in the case of coordinate departments to Account 611, Interdepartmental Rents.

(c) Any amount paid by or transferred to the utility for occupancy or use of a joint facility shall be charged to the appropriate "joint expense—debit" or clearing account or accounts.

(d) In the event that joint facilities are used by either party in connection with construction work, credits for the full amount received and charges for the full amount paid, as the case may be, shall be made direct to the construction accounts affected.

(e) These instructions are not intended to cover cases of joint ownership of pole lines and other property where each joint owner bears the cost of operating and maintaining its own property. In such cases the cost of operation and maintenance shall be recorded in the appropriate operating expense accounts other than the "joint expense" debit or credit accounts even though one of the joint owners operates or maintains the property and bills against other owners for all or a portion of the expenses incurred.

(f) Electricity supplied by the utility from its own supply to a coordinate department shall be accounted for as provided in Operating revenue instruction 5 (§ 101.6–5). If the utility desires to charge the appropriate accounts in any of its electric operations with the cost of electricity used from its own supply, credit therefor shall not be made to joint expense accounts but to Account 806, Duplicate Miscellaneous Charges—Credit.

(g) If the arrangement regarding use of facilities does not provide for the allocation of actual segregated costs, the facilities shall not be considered as joint.

§ 101.7–7 *Records for each plant.* (a) Separate records shall be maintained, by operating and maintenance accounts, for the direct cost of operating and maintaining each electric plant owned or operated. (See General instruction 12 (§ 101.03–12) for definition of "plant.")

(b) If the utility generates electric energy by two or more different methods, such as by steam and water power, at the same location, each method shall be treated as a separate plant.

(c) Electric energy obtained from another company shall be separately accounted for.

Operating Expense Accounts

Production Expenses

Electric Generation, Steam Power

Operation

Note: In §§ 100.701BA to 100.809BA, inclusive, the numbers to the right of the decimal point (except that a colon has been substituted in each instance where a decimal point was used in the original account number and the letters preceding the original account numbers transposed to succeed the section numbers) correspond with the respective account numbers in Uniform system of accounts for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 110–141. Cross references to accounts are made by citing the account number, e. g., Account 131:1, instead of the corresponding section number (§ 101.131:1).

§ 101.701BA *Operation supervision and engineering.* This account shall include the cost of supervising and directing the operation of steam power generating stations. (See Operating expense instruction 4, § 101.7–4.)

Note: The cost of fuel analysis shall be charged to Account 131:1, Materials and Supplies—Electric.

§ 101.702B *Station labor.*

§ 101.702:1A *Boiler labor.* This account shall include the pay of employees in boiler rooms and elsewhere about the premises engaged in making steam.

Items

(1) Boilerhouse engineer and assistants.
(2) Feed-pump men.
(3) Firemen.
(4) Furnace operators.
(5) Helpers.
(6) Janitors.
(7) Stoker attendants.
(8) Stokers.

(9) Watchmen.
(10) Water tenders.
(11) Weighers.
(12) Labor employed in:
(a) Blowing flues.
(b) Cleaning boilers.
(c) Handling coal and ashes (within the boiler plant).
(d) Pulverizing coal.
(e) Testing steam meters and gages and other instruments.

§ 101.702:2A *Prime mover and generator labor.* This account shall include the pay of employees engaged in operating prime movers and generators, including steam engines, steam turbines, main generators, turbo-generator units, and auxiliary apparatus operated in connection therewith.

ITEMS

(1) Engineers and assistants.
(2) Floor attendants.
(3) Machinists and helpers.
(4) Oilers.
(5) Turbo-generator attendants.
(6) Wipers.

§ 101.702:3A *Electric labor.* This account shall include the pay of employees engaged in operating electric equipment (switchboards, feeder terminal boards, and other electric equipment) within the steam power generating plant and to the point where electricity leaves for conversion to transmission or distribution voltage.

ITEMS

(1) Electricians.
(2) Foremen and assistants.
(3) Gallerymen.
(4) Switchboard operators and assistants.
(5) Wiremen.

§ 101.702:4A *Miscellaneous station labor.* This account shall include the pay of employees engaged in operating steam power generating stations, when such pay is not chargeable to the foregoing steam power plant labor accounts.

ITEMS

(1) Elevator men.
(2) Insect-control labor.
(3) Janitors.
(4) Messengers.
(5) Watchmen.
(6) Yard and building cleaners.

§ 101.703BA *Fuel.* (a) This account shall include the cost delivered at stations, including cost of transferring from one station to another (see Account 161:1, Materials and Supplies—Electric) of coal, oil, gas, or other fuel used in the production of steam which is used for the production of electric energy by steam power. It shall also include the net cost of, or amount realized from, the disposal of ashes.

(b) Records shall be maintained to show the quantity, B. t. u. content, if available, and cost of each type of fuel used.

§ 101.704BA *Water.* This account shall include the cost of water for boilers and condensers and for cooling engines. If water is purchased, the charge shall be at the contract price or the meter rate; if pumped by the utility, the cost of pumping shall be charged to this account.

ITEMS

(1) Employees:
(a) Filter cleaners.
(b) General labor.
(c) Pumping station operators.
(d) Screen operators.
(e) Water-supply system operators.
(2) Supplies:
(a) Boiler compounds.
(b) Chemicals.
(c) Lubricants.
(d) Pumping supplies.
(e) Supplies (miscellaneous).
(f) Water purchased.

NOTE: Do not include in this account water used for general station purposes or the cost of maintaining water-supply systems.

§ 101.705B *Supplies and expenses.*

§ 101.705:1A *Lubricants.* This account shall include the cost of lubricants for machinery in steam power generating stations, including the cost of recovering oil from waste and the cost of handling and filtering.

NOTE A: Oil used in pumping water shall be charged to Account 704, Water.
NOTE B: Do not include in this account oil for transformers, grease or oil for automobiles, trucks, and wagons, or oil for lamps or for similar purposes.

§ 101.705:2A *Station supplies.* This account shall include the cost of all miscellaneous supplies, tools, etc., used in steam power generating stations.

ITEMS

(1) Dynamo brushes.
(2) Fireroom tools.
(3) Gauge glasses.
(4) Handhole gaskets.
(5) Manhole gaskets.
(6) Packing.
(7) Steam and air hose.
(8) Tools (hand).
(9) Washers.
(10) Waste.
(11) Wipers.

§ 101.705:3A *Station expenses.* This acoount shall include miscellaneous expenses, which are not specifically provided for in other operating expense accounts, incurred in the operation of steam power generating stations.

ITEMS

(1) Boiler inspection fees.
(2) Building service (not including rent).
(3) Communication service.
(4) Insect-control material.
(5) Log sheets and charts.
(6) Meter supplies.
(7) Stationery and office supplies.
(8) Transportation.
(9) Water for fire protection or for general use.
(10) Employees' service facilities expense.

Maintenance

§ 101.706BA *Maintenance supervision and engineering.* This account shall include the cost of supervising and directing the maintenance of steam power generating stations. (See Operating expense instruction 4, § 101.7–4.)

§ 101.707BA *Maintenance of structures and improvements.* This account shall include the cost of maintenance of buildings, structures, fixtures, and improvements at steam power generating stations, the book cost of which is included in Account 311, Structures and Improvements.

§ 101.708B *Maintenance of boiler plant equipment.*

§ 101.708:1A *Maintenance of coal storage, handling, and weighing equipment.* This account shall include the cost of maintenance of coal handling, ash disposal, and pulverizing equipment at steam power generating stations, the book cost of which is included in Account 312, Boiler Plant Equipment.

§ 101.708:2A *Maintenance of furnaces and boilers.* This account shall include the cost of maintenance of furnaces and boilers at steam power generating stations, the book cost of which is included in Account 312, Boiler Plant Equipment.

§ 101.708:3A *Maintenance of boiler apparatus.* This account shall include the cost of maintenance of auxiliary apparatus in boiler rooms at steam power generating stations, the book cost of which is included in Account 312, Boiler Plant Equipment, such as air preheaters, draft apparatus foundations, feed water apparatus, pumps, and water purification system.

§ 101.708:4A *Maintenance of steam piping and accessories.* This account shall include the cost of maintenance of steam power generating station piping systems and accessories used in connection with the making of steam and the delivery thereof to the prime movers, the book cost of which is included in Account 312, Boiler Plant Equipment.

§ 101.709B *Maintenance of generating and electric equipment.*

§ 101.709:1A *Maintenance of prime movers and generators.* This account shall include the cost of maintenance of main steam engines and steam turbines, generators and turbo-generator units, and auxiliary apparatus, the book cost of which is included in Account 313, Engines and Engine-Driven Generators, and Account 314, Turbo-Generator Units.

§ 101.709:2A *Maintenance of accessory electric equipment.* This account shall include the cost of maintenance of accessory electric equipment in steam power generating stations, the book cost of which is included in Account 315, Accessory Electric Equipment.

§ 101.709:3A *Maintenance of miscellaneous power plant equipment.* This account shall include the cost of maintenance of miscellaneous steam power plant equipment, the book cost of which is included in Account 316, Miscellaneous Power Plant Equipment.

Miscellaneous

§ 101.710BA *Rents.* This account shall include all rents of property of others used, occupied, or operated in connection with steam power generation. (See Operating expense instruction 5, § 101.7–5.)

§ 101.711BA *Steam from other sources.* This account shall include the cost of steam purchased for use in steam engines and turbines devoted to the production of electricity; and also charges for steam transferred to electric genera-

tion from another operating department of the company.

NOTE: The records shall be so kept as to show separately for each company from which steam is purchased, the point of delivery, the quantity, the price, and the total charge. When steam is transferred from another operating department, the utility shall be prepared to show full details of the cost of producing such steam, the basis of the charges to electric generation, and the extent and manner of use by each department involved.

§ 101.712BA *Steam transferred—credit.* This account shall include such portion of the cost of operating and maintaining joint facilities operated by the utility in connection with the production of steam as is charged to others or to a coordinate department. (See Operating expense instruction 6, § 101.7–6.)

§ 101.713BA *Joint expenses—debit.* (a) This account shall include amounts payable by the electric department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with steam power generation. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.

(2) Charges from coordinate departments.

NOTE: Charges for steam produced in joint facilities shall not be included in this account but in Account 711, Steam from Other Sources.

§ 101.714BA *Joint expenses—credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with steam power generation as is charged to others or to a coordinate department. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, include the following:

(1) Charges to others.

(2) Charges to coordinate departments.

NOTE: Credits for steam transferred, produced in joint facilities, shall not be included in this account but in Account 712, Steam Transferred—Credit.

Electric Generation, Hydraulic Power

Operation

§ 101.715BA *Operation supervision and engineering.* This account shall include the cost of supervising and directing the operation of hydraulic power generating stations. (See Operating expense instruction 4, § 101.7–4.)

§ 101.716B *Station labor.*

§ 101.716:1A *Hydraulic labor.* This account shall include the pay of employees engaged in operating hydraulic works, including reservoirs, dams, and waterways, and all other employees whose duties concern the operation of the hydroelectric development outside of the generating station.

ITEMS

(1) Cleaners at reservoirs and screens.
(2) Foremen.
(3) Flume patrolmen.
(4) Insect-control labor.
(5) Intake operators.

§ 101.716:2A *Prime mover and generator labor.* This account shall include the pay of employees engaged in operating hydraulic power-driven prime movers, generators, turbo-generator units, and the auxiliary apparatus operated in connection therewith.

ITEMS

(1) Foremen and assistants.
(2) Generator attendants.
(3) Machinists.
(4) Oilers.
(5) Wipers.

§ 101.716:3A *Electric labor.* This account shall include the pay of employees engaged in operating switchboards, feeder terminal boards, and other electric equipment in hydraulic power generating stations, to the point where electricity leaves for conversion to transmission or distribution voltage.

ITEMS

(1) Electricians.
(2) Foremen and assistants.
(3) Gallerymen.
(4) Switchboard operators and assistants.
(5) Wiremen.

§ 101.716:4A *Miscellaneous station labor.* This account shall include the pay of employees engaged in operating hydraulic power generating stations, except such pay as is chargeable to the foregoing hydraulic power plant labor accounts.

ITEMS

(1) Elevator men.
(2) Janitors.
(3) Messengers.
(4) Watchmen.
(5) Yard and building cleaners.

§ 101.717BA *Water for power.* This account shall include the cost of water purchased for hydraulic power generation.

ITEMS

(1) Cost of water purchased from others.
(2) Periodic payments for licenses or permits from any governmental agency for water rights.
(3) Periodic payments for riparian rights.

§ 101.718B *Supplies and expenses.*

§ 101.718:1A *Lubricants.* This account shall include the cost of lubricants for machinery in hydraulic power generating stations, including the cost of recovering oil from waste and the cost of handling and filtering.

NOTE: Do not include in this account oil for transformers, grease or oil for automobiles, trucks, and wagons, or oil for lamps or for similar purposes.

§ 101.718:2A *Station supplies.* This account shall include the cost of all miscellaneous supplies, tools, etc., used in hydraulic power generating stations.

ITEMS

(1) Dynamo brushes.
(2) Gaskets.
(3) Materials to protect dams and gates.
(4) Packing.
(5) Tools (hand).
(6) Washers.
(7) Waste.
(8) Wipers.

§ 101.718:3A *Station expenses.* This account shall include miscellaneous expenses, which are not specifically provided for in other operating expense accounts, incurred in the operation of hydraulic power generating stations.

ITEMS

(1) Building service (not including rent).
(2) Communication service.
(3) Employees' service facilities expense.
(4) Insect-control materials.
(5) Log sheets and charts.
(6) Meter supplies.
(7) Stationery and office supplies.
(8) Transportation.
(9) Water for fire protection or general use.

MAINTENANCE

§ 101.719BA *Maintenance supervision and engineering.* This account shall include the cost of supervising and directing the maintenance of hydraulic power generating stations. (See Operating expense instruction 4, § 101.7–4.)

§ 101.720BA *Maintenance of structures and improvements.* This account shall include the cost of maintenance of buildings, structures, fixtures, and improvements at hydraulic power generating stations, the book cost of which is included in Account 321, Structures and Improvements.

§ 101.721BA *Maintenance of reservoirs, dams, and waterways.* This account shall include the cost of maintenance of reservoirs, dams, waterways, intakes, forebays, penstocks and tailraces, and appurtenant structures and facilities, including gates, raising and lowering apparatus, wasteways, spillways, fish ladders, canal, ditches, flumes, tunnels, and pipe lines, used in connection with hydraulic works, also navigation facilities, such as locks, booms, sluices, regulating gates, and other appurtenant structures and facilities for navigation purposes, the book cost of which is included in Account 322, Reservoirs, Dams, and Waterways.

§ 101.722B *Maintenance of generating and electric equipment.*

§ 101.722:1A *Maintenance of prime movers and generators.* This account shall include the cost of maintenance of hydraulic facilities from the connection with the penstock or flume to tailrace, and of all main hydraulic turbines, water wheels, and water-driven generators and auxiliary apparatus, the book cost of which is included in Account 323, Water Wheels, Turbines, and Generators.

§ 101.722:2A *Maintenance of accessory electric equipment.* This account shall include the cost of maintenance of accessory electric equipment in hydraulic power generating stations, the book cost of which is included in Account 324, Accessory Electric Equipment.

§ 101.722:3A *Maintenance of miscellaneous power plant equipment.* This account shall include the cost of main-

tenance of miscellaneous hydraulic power plant equipment, the book cost of which is included in Account 325, Miscellaneous Power Plant Equipment.

§ 101.723BA *Maintenance of roads, railroads, and bridges.* This account shall include the cost of maintenance of roads, trails, railroads, bridges, and trestles, maintained in connection with the operation of hydraulic power generating stations, the book cost of which is included in Account 326, Roads, Railroads, and Bridges; also the cost of maintenance of roads and bridges dedicated to public use but maintained by the utility.

Miscellaneous

§ 101.724BA *Rents.* This account shall include all rents of property of others used, occupied, or operated in connection with hydraulic power generation, including amounts payable to the United States for the occupancy and use of public lands and reservations for reservoirs, dams, flumes, forebays, penstocks, power houses, etc., but not including transmission rights-of-way. (See Operating expense instruction 5, § 101.7–5.)

§ 101.725BA *Joint expenses—debit.* (a) This account shall include amounts payable by the electric department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with hydraulic power generation. (See Operating expense instruction 6, § 101.7–6.)

(b) Annual charges from others for maintenance, depreciation, interest or return on investment applicable to headwater improvements owned by such others and made under licenses or permits from governmental agencies shall be charged in their entirety to this account.

(c) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.

(2) Charges from coordinate departments.

§ 101.726BA *Joint expenses—credit.* (a) This account shall include such portion of the cost of operation and maintenance expenses applicable to joint facilities operated by the electric department in connection with hydraulic power generation as is charged to others or to a coordinate department. (See Operating expense instruction 6 (§ 101.7–6) for appropriate accounts to which may be credited amounts received from others or from another department for a proportion of depreciation, taxes, interest, or return on investment in such joint facilities.)

(b) Annual charges against others for their proportion of maintenance expenses applicable to headwater improvements owned by the utility and made under licenses or permits from governmental agencies shall be included in this account. The amount of such annual charges, representing depreciation and interest or return on investment shall be credited to Account 610, Rent from Electric Property.

(c) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.

(2) Charges to coordinate departments.

Electric Generation, Internal Combustion Engine Power

Operation

§ 101.727BA *Operation supervision and engineering.* This account shall include the cost of supervising and directing the operation of internal combustion engine power generating stations. (See Operating expense instruction 4, § 101.7–4.)

NOTE: The cost of fuel analysis shall be charged to Account 131:1, Materials and Supplies—Electric.

§ 101.728B *Station labor.*

§ 101.728:1A *Engine labor.* This account shall include the pay of employees engaged in the delivery of fuel to the engine after the receipt and storage of fuel. This covers the handling of fuel from storage to the gas generator building, and the handling of residuals from said building to the point where residuals are placed when removed from the building. This account shall also include the pay of employees engaged in operating prime movers and generators and auxiliary apparatus operated in connection therewith.

ITEMS

(1) Engineers and assistants.
(2) Generator attendants.
(3) Machinists and helpers.
(4) Oilers.
(5) Wipers.

§ 101.728:2A *Electric labor.* This account shall include the pay of employees engaged in operating electric equipment, including switchboards, feeder terminal boards, and other electric equipment, in internal combustion engine generating stations, to the point where electricity leaves for conversion to transmission or distribution voltage.

ITEMS

(1) Electricians.
(2) Foremen and assistants.
(3) Gallerymen.
(4) Switchboard operators and assistants.
(5) Wiremen.

§ 101.728:3A *Miscellaneous station labor.* This account shall include the pay of employees engaged in operating internal combustion power generating stations, except such pay as is chargeable to the foregoing internal combustion power plant labor accounts.

ITEMS

(1) Elevator men.
(2) Janitors.
(3) Messengers.
(4) Watchmen.
(5) Yard and building cleaners.

§ 101.729BA *Engine fuel.* (a) This account shall include the cost delivered at the station, including cost of transferring from one station to another (see Account 131:1, Materials and Supplies—Electric) of all fuel, such as gas, oil, kerosene, and gasoline used in internal combustion engines.

(b) Where the producer gas process is used, include in this account the cost delivered at the station of fuel used for producing gas, and all other costs and expenses of producing gas.

(c) This account shall include also the net cost of, or amount realized from, disposal of residuals.

§ 101.730B *Supplies and expenses.*

§ 101.730:1A *Water.* This account shall include the cost of water used for cooling internal combustion engines and of water used in the production of gas for power purposes. If water is purchased, the charge shall be at the contract price or meter rate; if pumped by the utility, the cost of pumping shall be charged to this account.

ITEMS

(1) Employees:
(a) Filter cleaners.
(b) General labor.
(c) Pumping station operators.
(d) Screen operators.
(e) Water-supply system operators.
(2) Supplies:
(a) Boiler compounds.
(b) Chemicals.
(c) Lubricants.
(d) Pumping supplies.
(e) Supplies (miscellaneous).

NOTE: Do not include in this account water used for general station purposes or the cost of maintaining the water-supply system.

§ 101.730:2A *Lubricants.* (a) This account shall include the cost of lubricants for machinery in the internal combustion power generating stations, including recovery of oil from waste and the cost of handling and filtering.

(b) Oil used in pumping water shall be charged to Account 730:1, Water.

NOTE: Do not include in this account oil for transformers, grease, or oil for automobiles, trucks, and wagons, or oil for lamps or for similar purposes.

§ 101.730:3A *Station supplies.* This account shall include the cost of all miscellaneous supplies, tools, etc., used in internal combustion power generating stations.

ITEMS

(1) Dynamo brushes.
(2) Gauge glasses.
(3) Handhole gaskets.
(4) Manhole gaskets.
(5) Packing.
(6) Tools (hand).
(7) Washers.
(8) Waste.
(9) Wipers.

§ 101.730:4A *Station expenses.* This account shall include miscellaneous expenses incurred in the operation of internal combustion power generating stations which are not specifically provided for in other operating expense accounts.

ITEMS

(1) Building service (not including rent).
(2) Communication service.
(3) Employees' service facilities expense.
(4) Log sheets and charts.
(5) Meter supplies.
(6) Stationery and office supplies.
(7) Transportation.
(8) Water for fire protection or general use.

Maintenance

§ 101.731BA *Maintenance supervision and engineering.* This account shall include the cost of supervising and directing the maintenance of internal combustion engine power generating stations. (See Operating expense instructions 4, § 101.7–4.)

§ 101.732BA *Maintenance of structures and improvements.* This account shall include the cost of maintenance of buildings, structures, fixtures, and improvements at internal combustion engine power generating stations, the book cost of which is included in Account 331, Structures and Improvements.

§ 101.733BA *Maintenance of fuel holders, producers, and accessories.* This account shall include the cost of maintenance of storage tanks, facilities, apparatus, etc., used for the storage of fuel or the production of gas to be used in internal combustion engines in the production of electric energy, the book cost of which is included in Account 332, Fuel Holders, Producers, and Accessories.

ITEMS

(1) Ash disposal equipment, etc.
(2) Economizers.
(3) Exhaust pipe.
(4) Exhauster outfits.
(5) Gas conductor.
(6) Gas producers and accessories.
(7) Pumps.
(8) Regenerators.
(9) Scrubbers.
(10) Steam injectors.
(11) Vaporizers.

§ 101.734B *Maintenance of generating and electric equipment.*

§ 101.734:1A *Maintenance of engines.* This account shall include the cost of maintenance of Diesel, gas, oil, and other internal combustion engines, the book cost of which is included in Account 333, Internal Combustion Engines.

§ 101.734:2A *Maintenance of generators.* This account shall include the cost of maintenance of main internal combustion engine driven generators, the book cost of which is included in Account 334, Generators.

§ 101.734:3A *Maintenance of accessory electric equipment.* This account shall include the cost of maintenance of electric equipment in internal combustion engine generating stations, the book cost of which is included in Account 335, Accessory Electric Equipment.

§ 101.734:4A *Maintenance of miscellaneous power plant equipment.* This account shall include the cost of maintenance of miscellaneous internal combustion engine power plant equipment, the book cost of which is included in Account 336, Miscellaneous Power Plant Equipment.

Miscellaneous

§ 101.735BA *Rents.* This account shall include all rents of property of others used, occupied, or operated in connection with internal combustion generation. (See Operating expense instruction 5, § 101.7–5.)

§ 101.736BA *Joint expenses—debit.* (a) This account shall include amounts payable by the electric department to others or to a coordinate department for joint facilities used, occupied or operated in connection with internal combustion generation. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.
(2) Charges from coordinate departments.

§ 101.737BA *Joint expenses—credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with internal combustion generation as is charged to others or to a coordinate department. (See Operating expense instruction 6, § 101.7–6.)

(b) Where a portion of the gas produced in a gas power generating plant is used by a coordinate department, the cost of producing the gas so used shall be charged to the department benefited and the amount of the charges included in this account.

(c) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.
(2) Charges to coordinate departments.

Other Production Expenses and Credits

§ 101.738BA *Purchased power.* (a) This account shall include the cost at the point of delivery to the utility of electricity purchased for resale, including charges for readiness to serve. This account shall be maintained in such manner as to show the following:

(1) Readiness to serve or "standby" charges where determinable.
(2) Firm power purchased.
(3) Dump or surplus power purchased.

(b) The records shall also show, by months, the demands and demand charges and kilowatt-hours and prices thereof under each purchase contract.

§ 101.739BA *Interchange power.* (a) This account shall include the amounts charged or credited under interchange agreements whereby the accounting utility both delivers energy to and receives energy from another for the purpose of achieving efficient utilization of productive capacity.

(b) Payments or receipts for energy received or delivered under firm or surplus sales agreements shall not be included herein.

(c) The records shall show, by months, the charges and credits under each interchange agreement.

§ 101.740BA *Other expenses.* This account shall be charged with any production expenses, including expenses incurred directly in connection with the purchase of power, which are not specifically provided for in the other production expense accounts. Charges to this account shall be supported by sufficient detail as to show why they were made to this account rather than to some other production expense account, and a description of each charge shall be available.

§ 101.741BA *Joint expenses—debit.* (a) This account shall include amounts payable by the electric department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the production of electric energy where it is impracticable to allocate such payments to the joint production expenses—debit accounts under steam power generation, hydraulic power generation, or internal combustion power generation. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.
(2) Charges from coordinate departments.

§ 101.742BA *Joint expenses—credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with the production of electric energy as is charged to others or to a coordinate department where it is impracticable to allocate such cost to the joint production expenses—credit accounts under steam power generation, hydraulic power generation, or internal combustion power generation. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.
(2) Charges to coordinate departments.

TRANSMISSION EXPENSES

Operation

§ 101.743BA *Operation supervision and engineering.* This account shall include the cost of supervising and directing the operation of transmission systems. (See Operating expense instruction 4, § 101.7–4.)

§ 101.744BA *Load dispatching labor and expenses.* (a) This account shall include the pay and expenses of load dispatchers and their assistants for time engaged in the operation of transmission load dispatching.

(b) If load dispatchers and their assistants are stationed at a generating station and part of their time is devoted to the operation of that station, their time shall be apportioned between this account and the appropriate electric generation labor account on an equitable basis.

§ 101.745B *Operation of stations.*

§ 101.745:1A *Station labor.* (a) This account shall include the pay of employees engaged in operating transmission substations and switching stations.

(b) If transmission station equipment is located in or adjacent to a generating station, the pay of employees applicable

to transmission station operations shall be charged to this account.

§ 101.745:2A *Station supplies and expenses.* (a) This account shall include the cost of supplies for and expenses incurred in connection with the operation of transmission substations and switching stations.

(b) If transmission station equipment is located in or adjacent to a generating station, the supplies and expenses applicable to transmission station operations shall be charged to transmission station expenses.

ITEMS

(1) Building service (not including rent).
(2) Communication service.
(3) Lubricants and waste.
(4) Meter supplies.
(5) Records (station).
(6) Stationery and office supplies.
(7) Tools.
(8) Traveling expenses.
(9) Water.

§ 101.746B *Operation of lines.*

§ 101.746:1A *Overhead lines.* This account shall include the pay and expenses of patrolmen, testers, etc., employed on overhead transmission lines; also the pay and expenses of employees engaged in trimming trees and clearing brush and other refuse from the transmission rights-of-way after the transmission line has been placed in operation.

§ 101.746:2A *Underground lines.* This account shall include the pay and expenses of patrolmen, testers, etc., employed on underground transmission lines, including inspection and clearing of subway ducts, manholes, and sewer connections for transmission lines.

Maintenance

§ 101.747BA *Maintenance supervision and engineering.* This account shall include the cost of supervising and directing the maintenance of transmission systems. (See Operating expense instruction 4, § 101.7–4.)

§ 101.748BA *Maintenance of structures and improvements.* This account shall include the cost of maintenance of transmission structures, fixtures, and improvements, the book cost of which is included in Account 342, Structures and Improvements.

NOTE: Do not include in this account the cost of maintenance of transmission roads and trails.

§ 101.749BA *Maintenance of station equipment.* This account shall include the cost of maintaining transmission substation and switching station equipment, the book cost of which is included in Account 343, Station Equipment.

§ 101.750B *Maintenance of overhead system.*

§ 101.750:1A *Maintenance of towers and fixtures.* This account shall include the cost of maintenance of transmission towers and fixtures, the book cost of which is included in Account 344, Towers and Fixtures.

§ 101.750:2A *Maintenance of poles and fixtures.* This account shall include the cost of maintenance of transmission poles and fixtures, the book cost of which is included in Account 345, Poles and Fixtures. This account shall not include the cost of replacing poles, which shall be handled as additions and retirements of property.

§ 101.750:3A *Maintenance of conductors and devices.* This account shall include the cost of maintenance of overhead transmission conductors, cables, insulators, etc., the book cost of which is included in Account 346, Overhead Conductors and Devices.

§ 101.751B *Maintenance of underground system.*

§ 101.751:1A *Maintenance of conduit.* This account shall include the cost of maintenance of transmission subways, underground conduit, ducts, manholes, sewer connections, and traps, the book cost of which is included in Account 347, Underground Conduit.

§ 101.751:2A *Maintenance of conductors and devices.* This account shall include the cost of maintenance of underground transmission cables, insulators, etc., the book cost of which is included in Account 348, Underground Conductors and Devices.

§ 101.752BA *Maintenance of roads and trails.* This account shall include the cost of maintenance of permanent transmission roads, trails, and bridges, the book cost of which is included in Account 349, Roads and Trails; also the cost of maintenance of roads and trails dedicated to public use but maintained by the utility.

Miscellaneous

§ 101.753BA *Rents.* This account shall include all rents of property of others used, occupied, or operated in connection with the transmission system, including payments to the United States and others for use of public or private lands and reservations for transmission line rights-of-way and also amounts paid to others for transmission of energy for the accounting utility. (See Operating expense instruction 5, § 101.7–5.)

§ 101.754BA *Joint expenses — debit.* (a) This account shall include amounts payable by the electric department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the transmission of electric energy. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.
(2) Charges from coordinate departments.

§ 101.755BA *Joint expenses—credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities, operated by the electric department in connection with the transmission of electric energy as is charged to others or to a coordinate department. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.
(2) Charges to coordinate departments.

DISTRIBUTION EXPENSES

Operation

§ 101.756BA *Operation supervision and engineering.* This account shall include the cost of supervising and directing the operation of the distribution systems. (See Operating expense instruction 4, § 101.7–4.)

§ 101.757BA *Load dispatching labor and expenses.* (a) This account (the keeping of which is optional with the utility) shall include the pay and expenses of load dispatchers and their assistants for time engaged in the operation of distribution load dispatching.

(b) If load dispatchers and their assistants are stationed at a distribution station and part of their time is devoted to the operation of that station, their time shall be apportioned between this account and the appropriate distribution station labor account on an equitable basis.

NOTE: If this account is not kept by the utility, all load dispatching labor and expenses shall be included in transmission expenses, Account 744, Load Dispatching Labor and Expenses.

§ 101.758B *Distribution office expenses.*

§ 101.758:1A *Distribution maps and records.* This account shall include salaries and expenses for the preparation of distribution maps and records of underground and overhead distribution lines, including the cost of stationery, drawing materials, etc.

§ 101.758:2A *Other distribution office expenses.* This account shall include such distribution office expenses as heat, ice water, office supplies, stationery and printing, telephone tolls and rentals, janitor service, etc.

§ 101.759B *Operation of stations.*

§ 101.759:1A *Station labor.* This account shall include the pay of employees engaged in the operation of distribution stations.

§ 101.759:2A *Station supplies and expenses.* This account shall include the cost of supplies used and expenses incurred in the operation of distribution stations.

ITEMS

(1) Building service (not including rent).
(2) Communication service.
(3) Lubricants and waste.
(4) Meter supplies.
(5) Records, station.
(6) Stationery and office supplies.
(7) Tools.
(8) Transportation.
(9) Water.

§ 101.760B *Operation of storage batteries.*

101.760:1A *Storage battery labor.* This account shall include the pay of batterymen, inspectors, and testers engaged in the operation of storage batteries.

§ 101.760:2A *Storage battery supplies and expenses.* This account shall include the cost of supplies used and expenses incurred in the operation of storage batteries.

ITEMS

(1) Acid.
(2) Automatic cell fillers.
(3) Brooms.
(4) Brushes for boosters and compensators.
(5) Distilled water for cells.
(6) Gloves.
(7) Hydrometers.
(8) Maps.
(9) Paint.
(10) Rubber hose.
(11) Shoes.
(12) Soda.
(13) Sponges.
(14) Thermometers.
(15) Waste.

§ 101.761B *Operation of lines.*

§ 101.761:1A *Overhead lines.* (a) This account shall include the pay and expenses of patrolmen, testers, etc., employed on overhead distribution lines, and the expense of trimming trees, inspecting and testing lightning arresters, voltage surveys, periodic testing, and routine patrolling.

(b) Include in this account expenses in connection with the routine inspection and testing of distribution system grounds.

§ 101.761:2A *Underground lines.* This account shall include the pay and expenses of patrolmen, testers, etc., employed on underground distribution lines, including expenses in connection with periodic inspection, testing, and routine patrolling and cleaning subway ducts, manholes, and sewer connections for distribution lines.

§ 101.761:3A *Removing and resetting line transformers.* This account shall include the cost of inspecting, testing, removing, resetting, and changing line transformers.

NOTE: The cost of the first setting of a transformer shall not be charged to this account but to electric plant Account 358, Line Transformers.

§ 101.762B *Services on customers' premises.*

§ 101.762:1A *Removing and resetting meters.* This account shall include the cost of inspecting, testing, removing, and resetting or changing the location of meters or instrument transformers and accessory equipment located on customers' premises.

NOTE A: The cost of the first setting of a meter shall not be charged to this account but to electric plant Account 360, Meters.

NOTE B: The cost of removing and resetting special large built-up meters shall not be charged to this account. Such installations shall be accounted for as additions and retirements.

§ 101.762:2A *Other services on customers' premises.* (a) This account shall include the cost of labor and materials used and expenses incurred (where such costs are borne by the utility) in work on customers' premises other than amounts includible in Account 762:1, Removing and Resetting Meters.

(b) Class A utilities shall keep their accounts or supporting records in such manner as to be able to show an analysis of this account according to the following functions:

(1) Investigating and adjusting service complaints.
(2) Lamp service—arc and incandescent.
(3) Maintenance of fixtures and appliances.
(4) Radio interference work.
(5) Other work on customers' premises.

NOTE: Do not include in this account expenses incurred in connection with merchandising, jobbing, and contract work. (See Account 520, Income from Merchandising, Jobbing, and Contract Work, and Account 789, Merchandising, Jobbing, and Contract Work.)

§ 101.763B *Operation of street lighting and signal systems.*

§ 101.763:1A *Overhead systems.* This account shall include the cost of labor and materials used and expenses incurred in the operation of overhead street lighting and signal systems, including traffic, fire, and police signal systems.

ITEMS

(1) Clearing brush and other refuse.
(2) Patrolling.
(3) Testing lines.
(4) Transportation.
(5) Trimming trees.
(6) Voltage surveys.

§ 101.763:2A *Underground systems.* This account shall include the cost of labor and materials used and expenses incurred in the operation of underground street lighting and signal systems, including traffic, fire, and police signal systems.

ITEMS

(1) Cleaning subway ducts, manholes, and sewer connections.
(2) Patrolling.
(3) Testing lines.
(4) Transportation.
(5) Voltage surveys.

MAINTENANCE

§ 101.764BA *Maintenance supervision and engineering.* This account shall include the cost of supervising and directing the maintenance of the distribution system. (See Operating expense instruction 4, § 101.7–4.)

§ 101.765BA *Maintenance of structures and improvements.* This account shall include the cost of maintenance of distribution structures and improvements, the book cost of which is included in Account 351, Structures and Improvements.

§ 101.766BA *Maintenance of station equipment.* This account shall include the cost of maintenance of distribution station equipment, the book cost of which is included in Account 352, Station Equipment.

§ 101.767BA *Maintenance of storage battery equipment.* This account shall include the cost of maintenance of storage battery equipment, the book cost of which is included in Account 353, Storage Battery Equipment.

§ 101.768B *Maintenance of overhead system.*

§ 101.768:1A *Maintenance of poles, towers, and fixtures.* This account shall include the cost of maintenance of distribution poles, crossarms, braces, guys, and other pole supports, and towers and tower fixtures, the book cost of which is included in Account 354, Poles, Towers, and Fixtures. This account shall not include the replacements of poles, which shall be handled as additions and retirements of property.

NOTE: Maintenance of ornamental street lighting columns shall be charged to Account 775, Maintenance of Street Lighting and Signal Systems.

§ 101.768:2A *Maintenance of conductors and devices.* This account shall include the cost of maintenance of distribution pole line conductors, feeders, cable, wire, line devices, insulators, and insulating material, the book cost of which is included in Account 355, Overhead Conductors and Devices.

§ 101.769B *Maintenance of underground system.*

§ 101.769:1A *Maintenance of conduit.* This account shall include the cost of maintenance of subways and underground conduit carrying distribution conductors, the book cost of which is included in Account 356, Underground Conduit.

§ 101.769:2A *Maintenance of conductors and devices.* (a) This account shall include the cost of maintenance of conductors, feeders, cable, wire, line devices, insulators, and insulating materials used in the underground distribution system, the book cost of which is included in Account 357, Underground Conductors and Devices.

(b) Maintenance of cable inside ornamental posts shall be charged to Account 775, Maintenance of Street Lighting and Signal Systems.

§ 101.770BA *Maintenance of line transformers and devices.* (a) This account shall include the cost of maintenance of distribution line transformers and devices, the book cost of which is included in Account 358, Line Transformers.

(b) Include in this account the cost of renewing oil, repainting, rewinding, and other maintenance; also the cost of maintaining lightning arresters installed for transformer protection, and the expense connected with the re-fusing of transformer cut-outs.

(c) The cost of transformer changes incurred by reason of load conditions shall be charged to Account 761:3, Removing and Resetting Line Transformers.

§ 101.771BA *Maintenance of services.* (a) This account shall include the cost of maintenance of services, the book cost of which is included in Account 359, Services.

(b) Class A utilities shall keep their accounts in such manner as to show separately the maintenance of overhead services and the maintenance of underground services.

§ 101.772BA *Maintenance of meters.* This account shall include the cost of maintenance of meters, the book cost of which is carried in Account 360, Meters.

§ 101.773BA *Maintenance of installations on customers' premises.* This account shall include the the cost of maintenance (where such cost is borne by the utility) of the electric property on customers' premises, the book cost of which is included in Account 361, Installations on Customers' Premises.

NOTE: Exclude herefrom maintenance in connection with merchandising, and jobbing and contract work. (See Account 520, Income from Merchandising, Jobbing, and Contract Work, and Account 789, Merchandising, Jobbing, and Contract Work.)

§ 101.774BA *Maintenance of leased property on customers' premises.* This account shall include the most of maintenance (where such cost is borne by the utility) of electric property leased to customers, the book cost of which is included in Account 362, Leased Property on Customers' Premises.

NOTE: Exclude herefrom maintenance in connection with merchandising, jobbing and contract work. (See Account 520, Income from Merchandising, Jobbing, and Contract Work, and Account 789, Merchandising, Jobbing, and Contract Work.)

§ 101.775BA *Maintenance of street lighting and signal systems.* This account shall include the cost of maintenance of street lighting and signal systems, the book cost of which is included in Account 363, Street Lighting and Signal Systems.

MISCELLANEOUS

§ 101.766BA *Rents.* This account shall include all rents of property of others used, occupied, or operated in connection with the distribution system, including payments to the United States and others for the use and occupancy of public lands and reservations for distribution line rights-of-way. (See Operating expense instruction 5, § 101.7–5.)

§ 101.777BA *Joint expenses—debit.* (a) This account shall include amounts payable by the electric department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the distribution of electric energy. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.

(2) Charges from coordinate departments.

§ 101.778BA *Joint expenses—credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with the distribution of electric energy as is charged to others or to a coordinate department. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.

(2) Charges to coordinate departments.

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

§ 101.779BA *Supervision.* This account shall include the cost of supervising and directing work on customers' contracts, orders, inquiries, and accounts, and in meter reading and collecting. (See Operating expense instruction 4, § 101.7–4.)

§ 101.780B *Customers' contracts, orders, meter reading, and collecting.*

§ 101.780:1A *Customers' contracts and orders.* This account shall include the pay and expenses of employees engaged in work on customers' applications, contracts, orders, complaints, and inquiries, and supplies used and expenses incurred in connection therewith.

ITEMS

(1) Books.
(2) Building service (not including rent).
(3) Office supplies.
(4) Postage.
(5) Salaries and wages.
(6) Stationery.
(7) Transportation.

§ 101.780:2A *Credit investigations and records.* This account shall include the pay and expenses of employees engaged in investigations of customers' credit and the keeping of records pertaining thereto, including supplies used and expenses incurred in connection therewith.

ITEMS

(1) Books.
(2) Building service (not including rent).
(3) Office supplies.
(4) Postage.
(5) Salaries and wages.
(6) Stationery.
(7) Transportation.

NOTE: The keeping of this account is optional. If not used, charges provided for herein shall be included in Account 780:1, Customers' Contracts and Orders.

§ 101.780:3A *Meter reading.* This account shall include the pay and expenses of employees engaged in reading customers' meters, and supplies used and expenses incurred in connection therewith.

ITEMS

(1) Badges.
(2) Building service (not including rent).
(3) Forms for recording readings.
(4) Lamps.
(5) Meter readers, pay of.
(6) Transportation.
(7) Uniforms.

§ 101.780:4A *Collecting.* This account shall include the pay and expenses of employees engaged in collecting customers' bills, and supplies used and expenses incurred in connection therewith.

ITEMS

(1) Building service (not including rent).
(2) Commissions, fees, or salaries of collectors.
(3) Disconnection for nonpayment of bills.
(4) Office supplies.
(5) Postage.
(6) Stationery and printing.
(7) Transportation.

§ 101.781BA *Customers' billing and accounting.* This account shall include the pay and expenses of employees engaged in customers' billing and accounting work, and supplies used and expenses incurred in connection therewith.

ITEMS

(1) Accounts, customers', keeping of.
(2) Address plates.
(3) Billing.
(4) Bookkeeping.
(5) Books.
(6) Building service (not including rent).
(7) Delivery of bills.
(8) Office supplies.
(9) Postage.
(10) Stationery and printing.
(11) Statistical work on customers' accounts.
(12) Tabulating sales.
(13) Transportation.

§ 101.782BA *Miscellaneous expenses.* This account shall include the labor and materials and expenses, which are not chargeable to the foregoing accounts, and which were used or incurred in customers' accounting and collecting.

§ 101.783BA *Uncollectible accounts.* This account shall be charged each month with amounts sufficient to provide for losses from uncollectible electric revenues. Concurrent credits shall be made to Account 254, Reserve for Uncollectible Accounts. Losses from uncollectible accounts shall be charged to such reserve.

§ 101.784BA *Rents.* This account shall include rents of property of others used in connection with customers' accounting and collecting. (See Operating expense instruction 5, § 101.7–5.)

SALES PROMOTION EXPENSES

§ 101.785BA *Supervision.* This account shall include the cost of supervising and directing the sales department and the solicitation of new business, including assistants, stenographers, and clerical help on records. (See Operating expense instruction 4, § 101.7–4.)

NOTE: Do not include in this account sales supervision in connection with merchandise or appliance sales.

§ 101.786BA *Salaries and commissions.* This account shall include the salaries and commissions paid salesmen for canvassing and soliciting new business, including the cost of preparing estimates for industrial and other customers.

§ 101.787B *Demonstration, advertising, and other sales expenses.*

§ 101.787:1A *Demonstration.* This account shall include the cost of labor and materials used and expenses incurred in demonstrating the use of appliances or other equipment.

NOTE: Do not include in this account demonstration expense incurred in connection with merchandise or appliance sales.

ITEMS

(1) Employees:
(a) Demonstrators.
(b) Instructors.
(c) Typists and Clerks.
(2) Expenses:
(a) Building service (not including rent).
(b) Communication service.
(c) Demonstration supplies.
(d) Electric service.
(e) Transportation.

§ 101.787:2A *Advertising.* This account shall include the cost of labor and materials used and expenses incurred in

connection with advertising for the purpose of promoting the sales of electricity.

NOTE: Do not include in this account advertising in connection with merchandise or appliance sales.

ITEMS

(1) Advertising in newspapers, periodicals, etc.
(2) Advertising manager and assistants.
(3) Clerks.
(4) Materials and expenses in preparing:
(a) Advertisements.
(b) Booklets.
(c) Bulletins.
(d) Dodgers.
(e) Posters.
(5) Stenographers and typists.

§ 101.787:3A *Miscellaneous sales expenses.* This account shall include the cost of labor and materials used and expenses incurred in soliciting new business, except amounts chargeable to the foregoing accounts.

NOTE: Do not include in this account expenses incurred in connection with merchandise or appliance sales.

§ 101.788BA *Rents.* This account shall include rents properly includible in operating expenses for property of others used by the sales promotion organization. (See Operating expense instruction 5, § 101.7–5.)

§ 101.789BA *Merchandising, jobbing, and contract work.* (a) This account shall include all expenses of merchandising, jobbing, and contract work; also all revenues derived from the sale of electric merchandise and jobbing or contract work, including any profit or commissions accruing to the utility from jobbing work performed by it as agent under agency contracts, whereby it undertakes to do jobbing work for another for a stipulated profit or commission.

(b) This account shall be subdivided as follows:

789:1 Revenues from Merchandising, Jobbing, and Contract Work.
789:2 Costs and Expenses of Merchandising, Jobbing, and Contract Work.

Account 789:2 shall be further subdivided so as to show the major items of costs and expenses.

NOTE: The income from merchandising, jobbing, and contract work shall be reported in this account if a State regulatory body having jurisdiction over the utility requires such income to be reported as an operating expense item; but the amount shall be reported in Account 520, Income from Merchandising, Jobbing, and Contract Work, if such regulatory body requires such income to be reported as other income. In the absence of a requirement by a State regulatory body, the utility may use this account or Account 520 at its option. The practice of the utility must be consistent.

ITEMS

(1) Advertising in connection with the sale of merchandise.
(2) Cost of merchandise sold, and of materials used for jobbing work including transportation, storage, handling.
(3) Depreciation.
(4) Direct taxes.
(5) Discounts and allowances made in settlement of bills for merchandise and jobbing work.
(6) General administrative expenses.
(7) Insurance.
(8) Inventory adjustments, merchandise.
(9) Light, heat, and power.
(10) Losses from uncollectible accounts.
(11) Miscellaneous.
(12) Pay and expenses of employees engaged in clerical work and bookkeeping in connection with merchandising.
(13) Pay and expenses of all employees engaged in selling, delivery, installation, etc., as well as supervision of such employees.
(14) Reconditioning repossessed appliances.
(15) Rent of general quarters.
(16) Revenue from the sale of merchandise and from jobbing and contract work.
(17) Stores expense on merchandise stocks.

ADMINISTRATIVE AND GENERAL EXPENSES

§ 101.790BA *Salaries of general officers and executives.* (a) This account shall include the compensation (salaries, bonuses, and other consideration for services) of officers and executives of the utility, properly chargeable to electric operations and not chargeable directly to a particular electric function.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

NOTE: This account shall not include directors' fees paid to officers and executives.

§ 101.791BA *Other general office salaries.* (a) This account shall include the compensation (salaries, bonuses, and other consideration for services) of employees engaged in the general or divisional offices properly chargeable to electric operations and not chargeable directly to a particular electric function.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

§ 101.792B *Expenses of general officers and general office employees.*

§ 101.792:1A *Expenses of general officers.* (a) This account shall include the expenses incurred for the benefit of the utility in its electric operations by officers whose salaries are included in Account 790 and which are not chargeable directly to a particular electric function.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

ITEMS

(1) Hotel.
(2) Meals, including payment therefor on account of overtime work.
(3) Membership fees and dues in trade, technical, and professional associations.
(4) Traveling expenses.

§ 101.792:2A *Expenses of general office employees.* (a) This account shall include the expenses incurred for the benefit of the utility in its electric operations by employees whose salaries are included in Account 791 and which are not chargeable directly to a particular electric function.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

ITEMS

(1) Hotel.
(2) Meals, including payment therefor on account of overtime work.
(3) Membership fees and dues in trade, technical, and professional associations.
(4) Traveling expenses.

§ 101.793BA *General office supplies and expenses.* (a) This account shall include the cost of office supplies and office expenses in connection with the general administrative functions of the utility's electric operations.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

ITEMS

(1) Automobile service, including charges through clearing Account 903, Transportation Expenses—Clearing.
(2) Books and periodicals for office use.
(3) Building service (not including rent).
(4) Communication service.
(5) Office supplies.
(6) Postage.
(7) Printing.
(8) Stationery.

NOTE: Office expenses which are clearly applicable to any group of operating expenses other than administrative and general shall not be included in this account.

§ 101.794BA *Management and supervision fees and expenses.* (a) This account shall include amounts payable by the electric department to any corporation, firm, or individual for general supervision and management services and expenses.

(b) Records supporting this account shall be so kept as to show (1) the basis of each fee, (2) the amount of the fee, and (3) the person to whom the fee is paid or payable.

§ 101.795BA *Special services.* This account shall include amounts payable to any corporation, firm, or individual, other than officers and employees of the utility, for special services to the electric department, if the amounts are not includible in Account 794, Management and Supervision Fees and Expenses, or Account 796, Legal Services, or are not chargeable directly to other electric operating expense accounts or clearing or plant accounts.

ITEMS

(1) Services:
(a) Auditing and accounting.
(b) Budget.
(c) Personnel.
(d) Publication.
(e) Rates.
(f) Secretarial.
(g) Statistical.
(h) Supervisory.
(2) Expenses:
(a) Hotel.
(b) Meals.
(c) Printing.
(d) Stationery.
(e) Traveling.

§ 101.796BA *Legal services.* This account shall include amounts payable to any corporation, firm, or individual, other than officers and employees of the utility, for legal services and related expenses of the electric department which are not chargeable directly to Account 797, Regulatory Commission Expenses, or to other electric operating expense accounts or to clearing or plant accounts.

NOTE: Pay and expenses of the legal staff of the utility shall not be included herein, but in such other accounts as may be appropriate.

§ 101.797BA *Regulatory commission expenses.* (a) This account shall include all expenses (except pay of regular employees only incidentally engaged in such work), properly includible in elec-

tric 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 accounting utility for pay and expenses of such commission, its officers, agents, and employees, and also including payments made to the United States for the administration of the Federal Power Act.

(b) Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to Account 146, Other Deferred Debits, and amortized by charges to this account.

(c) The utility shall be prepared to report the cost of each formal case.

ITEMS

(1) Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against, petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

(2) Expenses: engineering supplies, office expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

NOTE A: Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

NOTE B: Do not include in this account amounts includible in Account 302, Franchises and Consents, Account 140, Unamortized Debt Discount and Expense or Account 151, Capital Stock Expense.

§ 101.798BA *Insurance.* This account shall include the cost of insurance to protect the utility against losses and damages to owned or leased property used in its electric operations, except as provided in Note C hereunder. There shall be included in this account the premiums payable to insurance companies or amounts credited to Account 255, Insurance Reserve, for fire, storm, burglary, boiler, explosion, lightning, and other insurance; and special costs incurred in procuring insurance, such as insurance inspection service, and the pay, traveling, and office expenses of officers, clerks, and other employees of an insurance department.

NOTE A: Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to Account 250, Reserve for Depreciation of Electric Plant, or other appropriate reserve account.

NOTE B: The utility shall so keep its records as to show the amount of coverage for each class of insurance carried, the property covered, the applicable premiums, and the distribution of the costs to specific operations or functions.

NOTE C: The cost of insurance to protect the utility against losses and damages to the following classes of owned or leased property used in electric operations shall be charged as indicated:

1. Laboratory equipment, to Account 904, Laboratory Expenses—Clearing.
2. Materials and supplies and stores equipment, to Account 902, Stores Expenses—Clearing.
3. Transportation and garage equipment, to Account 903, Transportation Expenses—Clearing.

NOTE D: Exclude from this account insurance on officers and employees. (See Account 800:1.)

§ 101.799BA *Injuries and damages.* (a) This account shall include losses not covered by insurance on account of injuries or deaths to employees or others, which occur in connection with electric operations, and payments and expenses on account of damages to the property of others or for nonperformance of contractual obligations, whether the loss be occasioned by fire, flood, storm, or other cause. Amounts may be accrued monthly sufficient to meet the probable liability for such losses, concurrent credits being made to Account 256, Injuries and Damages Reserve, in which case losses sustained shall be charged to the reserve.

(b) This account shall also include:

(1) Pay and expenses of officers and employees regularly engaged in or specifically assigned to work in connection with injuries to employees or others, damages to property of others, etc.

(2) Payments to attorneys, investigators, and adjusters, court costs, etc.

(3) Insurance premiums for protection against claims from injuries and damages, including public liability, property damages, boiler, casualty, employees' liability, etc., except as provided in Note C.

(c) Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages, and insurance dividends or refunds, shall be credited to this account.

NOTE A: Payments to or in behalf of employees, including accident and death benefits, salaries, hospital expenses, medical supplies; also salaries, fees, and expenses of surgeons, doctors, nurses, etc., or amounts reserved for such payments, when provided for through a plan for employees' benefits, shall be charged to Account 800, Employees' Welfare Expenses and Pensions.

NOTE B: No part of the salaries of officers or employees of the law department shall be included in this account for merely incidental services in connection with injury and damage claims.

NOTE C: Losses or insurance premiums paid in connection with transportation and garage equipment shall be charged to Account 903, Transportation Expenses—Clearing.

NOTE D: Exclude from this account insurance on officers and employees and the cost of injuries and damages chargeable directly to electric plant accounts, clearing accounts, or to other appropriate accounts.

§ 101.800B *Employees' welfare expenses and pensions.*

§ 101.800:1A *Employees' welfare expenses.* This account shall include the expenses incurred in conducting employees' accident prevention, educational and recreational activities, the cost of employees' relief and benefits (other than pensions, and injuries and damages chargeable to Account 799, Injuries and Damages), and the cost of life insurance for employees where the utility is not the beneficiary.

NOTE: When the utility is the beneficiary of insurance on officers or employees, the cost of such insurance shall be charged to Account 538, Miscellaneous Income Deductions, or, at the option of the utility, the cash surrender value may be included in Account 133, Other Current and Accrued Assets, in which event the excess of cost of the insurance over such cash surrender value shall be charged to Account 538, Miscellaneous Income Deductions.

§ 101.800:2A *Pensions.* (a) This account shall include pensions paid to retired employees or to their heirs.

(b) If the utility has definitely undertaken by contract to pay pensions to employees of its electric department when retired, it shall charge to this account monthly amounts to provide for the payment of such pensions or for the purchase of annuities for that purpose.

(c) The utility shall maintain a complete record of the computations of the accruals of its pension liabilities.

(d) The utility shall inform the Commission of the details of its pension plan, giving a full statement of the facts thereof, together with the actuarial formula, if any, under which it has created or proposes to create its pension fund, and shall furnish a copy of the declaration of trust or resolution under which the pension plan is established.

§ 101.801BA *Miscellaneous general expenses.* This account shall include such items of expense applicable to the electric department as the cost of publishing and distributing annual reports to stockholders; advertising notice of stockholders' meetings; dividend and other corporate and financial notices of a general character; association dues; contributions for conventions and meetings of the industry; cost of research and experimental work conducted for the benefit of the electric department or the industry or for the improvement of electric service (except such amounts as may be properly chargeable to other accounts); fees of transfer agents, registrars of stock, and fiscal agents; director's fees; and any other miscellaneous expenses connected with the general management and not otherwise provided for.

§ 101.802B *Maintenance of general property.*

§ 101.802:1A *Maintenance of structures and improvements.* This account shall include the cost of maintenance of general buildings the book cost of which is included in Account 371, Structures and Improvements.

§ 101.802:2A *Maintenance of office furniture and equipment.* This account shall include the cost of maintenance of office furniture and equipment used by the administrative divisions of the electric department.

NOTE: The cost of maintenance of office furniture and equipment used elsewhere than in the administrative departments shall be charged to the appropriate maintenance, construction, or clearing account.

§ 101.802:3A *Maintenance of communication equipment.* This account shall include the cost of maintenance of communication equipment for general use in connection with the utility's oper-

ations, the book cost of which is included in Account 378, Communication Equipment.

§ 101.802:4A *Maintenance of miscellaneous property.* This account shall include the cost of maintenance of miscellaneous property not provided for elsewhere including miscellaneous general equipment, the book cost of which is included in Account 379, Miscellaneous Equipment, and tools and work equipment included in Account 377, Tools and Work Equipment.

NOTE: Maintenance of tools and work equipment may be charged to a clearing account and distributed to appropriate accounts based on the use of the equipment.

§ 101.803BA *Rents.* This account shall include rent properly includible in electric operating expenses (see Operating expense instruction 5, § 101.7–5) covering the property of others used, occupied, or operated in connection with the general and administrative functions of the utility.

§ 101.804BA *Commissions paid under agency sales contracts.* This account shall include the amount paid or payable by the utility to agents as commission for distributing electric energy over the agent's distribution lines and selling the same, and for all services performed in connection therewith.

NOTE A: This account shall be used only when sales are made under rate schedules filed by the accounting utility and when the gross receipts therefrom are credited to it; otherwise, the transactions shall be accounted for as sales of electricity.

NOTE B: Records pertaining to each agency sales contract shall be so kept by the utility as to show full particulars as to amounts paid for each kind of service rendered thereunder.

§ 101.805BA *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, electricity furnished without charge under provisions of franchises.

(b) When no direct outlay is involved, concurrent credit for such charges shall be to Account 806, Duplicate Miscellaneous Charges—Credit.

(c) This account shall be subdivided as follows:

805:1 Cash Outlays.
805:2 Electricity Supplied Without Charge—Debit.
805:3 Other Items Furnished Without Charge—Debit.

NOTE A: Taxes shall not be charged to this account. (See Account 507, Taxes.)

NOTE B: The cost of plant, supplies, etc., given as an initial consideration for a franchise running for more than one year, shall be charged to Account 302, Franchises and Consents.

§ 101.806BA *Duplicate miscellaneous charges—credit.* (a) This account shall include concurrent credits for charges which are made to Account 805, Franchise Requirements, to the extent that such charges do not represent direct outlays. It shall also include concurrent credits for charges made to operating expense or other accounts of the electric department for electricity or steam for heating for which there is no direct money outlay. (See Operating revenue instruction 5, § 101.6–5.)

(b) This account shall be kept in such manner as to disclose the nature and amount of each item included herein.

§ 101.807BA *Administrative and general expenses transferred—credit.* (a) This account shall be credited with amounts recorded in the administrative and general expenses which are properly includible in construction costs.

(b) The records supporting this account shall be so kept as to show the basis of determining the amounts transferred to construction.

NOTE: See Electric plant instruction 6 (§ 101.3–6).

§ 101.808BA *Joint expenses—debit.* (a) This account shall include amounts payable by the electric department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with administrative and general functions of the utility. (See Operating expense instruction 6, 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.
(2) Charges from coordinate departments.

§ 101.809BA *Joint expenses—credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the electric department in connection with its administrative and general functions as is chargeable to others, or to a coordinate department. (See Operating expense instruction 6, § 101.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.
(2) Charges to coordinate departments.

CLEARING ACCOUNTS

NOTE: In §§ 101.901 to 101.905, inclusive, the numbers to the right of the decimal point correspond with the respective account numbers in Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 143–145. Cross references to accounts are made by citing the account number, e. g., Account 902, instead of the corresponding section number (§ 101.902).

§ 101.901 *Charges by associated companies—clearing.* (a) This account shall include all charges made by associated companies against the utility for any purpose whatsoever except interest, including charges for management, supervision, purchasing, construction, accounting, engineering, legal, financial, rent, advertising, materials and supplies, equipment and other property, commissions, taxes, and other items.

(b) This account shall be cleared by charging the appropriate accounts with the expenditures applicable thereto.

(c) The records supporting this account shall be so kept as to show the nature of each charge together with the account or accounts to which each charge is cleared.

NOTE: The mandatory use of this account may be suspended upon order of the Commission, if equivalent information is readily obtainable from other records of the utility.

§ 101.902 *Stores expenses—clearing.* (a) This account shall include the cost of supervision, labor, and expenses incurred in the operation and maintenance of the electric general storerooms, including storage handling and distribution of materials and supplies.

(b) Cash discounts shall be credited hereto when such discounts cannot be applied to the cost of particular materials.

(c) This account shall be cleared by adding to the cost of materials and supplies a suitable loading charge which will distribute the expense equitably over stores issues.

ITEMS

(1) Adjustments of inventories of materials and supplies.
(2) Books, stationery, and office supplies.
(3) Building service.
(4) Collecting and handling scrap materials in stores.
(5) Communication service.
(6) Discount on materials when not assignable to specific items.
(7) Freight, express, etc., when not assignable to specific items.
(8) Heat, light, and power for storerooms and stores offices.
(9) Injuries and damages.
(10) Inspecting and testing materials and supplies, when not assignable to specific items.
(11) Insurance on materials and supplies and on stores equipment.
(12) Losses due to breakage, leakage, evaporation, fire, and other causes. Credit any amounts received from insurance, transportation companies or others in compensation of such losses.
(13) Maintenance of office furniture and equipment.
(14) Maintenance of stores equipment.
(15) Pay and expenses of storekeepers, clerks, and others employed in storerooms or in store offices.
(16) Postage, stationery, and printing.
(17) Rents.
(18) Taxes, direct.
(19) Transporting materials into storehouse, when not assignable to specific items.

NOTE A: Large differences in the accounts, disclosed by inventories, which can readily be assigned to important classes of materials, shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in Account 902, Stores Expenses—Clearing.

NOTE B: Transportation charges on materials recovered from retirements of electric plant shall be charged to the account to which the cost of removal was charged.

§ 101.903 *Transportation expenses—clearing.* (a) This account shall include the cost of supervision, labor, and expenses incurred in the operation and maintenance of the electric general transportation equipment, including direct taxes and depreciation on transportation equipment.

(b) This account shall be cleared by apportionment to operating expense,

electric plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Communication service.
(4) Depreciation of transportation equipment.
(5) Feed and bedding for horses and mules.
(6) Fuel and lubricants for vehicles (including sales and excise taxes thereon).
(7) Freight, express, drayage, etc., on fuel, repair parts, etc.
(8) Heat, light, and power for garage and garage office.
(9) Injuries and damages.
(10) Insurance on garage equipment and transportation equipment, including public liability and property damage.
(11) License fees for vehicles and drivers.
(12) Maintenance of office furniture and equipment.
(13) Maintenance of transportation and garage equipment.
(14) Office supplies, postage, etc.
(15) Operation of garages and stables.
(16) Pay and expenses of drivers, mechanics, etc.
(17) Rent of garage buildings and grounds.
(18) Rent of vehicles and other rents.
(19) Taxes, direct.
(20) Tires, tubes, and chains.

§ 101.904 *Laboratory expenses—clearing.* (a) This account shall include the cost of supervision; pay of chemists, engineers, assistants, and other employees; and expenses of such employees, engaged in the operation and maintenance of electric general laboratories.

(b) If a laboratory is maintained at a generating station in connection with the operation of the station, the costs incident to its operation and maintenance shall be charged to the appropriate generating expense account.

(c) This account shall be cleared by apportioning on an equitable basis the total of the expenses to operating expense, electric plant, and other accounts benefited. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Charts.
(4) Chemists and their assistants, pay and expenses of.
(5) Communication service.
(6) Heat, light, and power.
(7) Injuries and damages.
(8) Maintenance of equipment.
(9) Periodicals.
(10) Rents.
(11) Taxes, direct.
(12) Testing supplies.

NOTE: The mandatory use of this account may be suspended upon order of the Commission, if equivalent information is readily obtainable from other records of the utility.

§ 101.905 *Shop expenses — clearing.* (a) This account shall include the cost of supervision, labor, and expenses incurred in the operation and maintenance of electric general shops of the utility.

(b) This account shall be cleared by apportionment to operating expense, electric plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Collecting and handling scrap materials.
(4) Communication service.
(5) Heat, light, and power.
(6) Injuries and damages.
(7) Repairs to shop equipment.
(8) Rents.
(9) Pay and expenses of superintendents, machinists, and other employees in shops.
(10) Taxes, direct.

PART 102—APPLICATION OF UNIFORM SYSTEM OF ACCOUNTS TO STATE AND MUNICIPAL LICENSEES

GENERAL PROVISIONS

Sec.
102.01–1 Application of uniform system of accounts to state and municipal licensees.

SUPPLEMENTAL BALANCE SHEET ACCOUNTS

102.111 Advances to municipality.
102.126 Receivables from municipality.
102.200 Investment of municipality.
102.210 Bonds—electric.
102.211 Bonds—municipality.
102.212 Advances from municipality.
102.223 Payables to municipality.
102.271 Earned surplus.
102.272 Constructive surplus or deficit.

SUPPLEMENTAL SURPLUS ACCOUNTS

102.411 Authorized cash distributions to the municipality.

SUPPLEMENTAL INSTRUCTIONS, INCOME ACCOUNTS

102.5–5 Tax equivalents.

SUPPLEMENTAL INSTRUCTIONS, OPERATING REVENUE ACCOUNTS

102.6–8 Electric energy supplied to municipality.

SUPPLEMENTAL CLEARING ACCOUNTS

102.901 Charges by municipality—clearing.

AUTHORITY: §§ 102.01–1 to 102.901, inclusive, issued under secs. 3 (13), 4 (b), 301 (a), 304 (a), 309, 49 Stat. 839, 854, 855, 858; 16 U. S. C., 796 (13), 797 (b), 825 (a), 825c (a), 825h.

CROSS REFERENCE: Uniform system of accounts prescribed for Class A and Class B public utilities and licensees: See Part 101.

GENERAL PROVISIONS

§ 102.01–1 *Application of uniform system of accounts to State and municipal licensees.* (a) The definitions, instructions, and accounts contained in the foregoing main body of this system of accounts, as modified and supplemented by this part, shall apply to municipal licensees, to the extent applicable to operations of the electric department of the municipality, with the same force and effect as in the case of other licensees and public utilities subject to the jurisdiction of the Commission.

(b) The word "municipality", as defined in the definitions, shall, for the purpose of this part, and when used hereinafter, be deemed to include States.

(c) Whenever the term "electric department" is used in this part, it shall be understood to mean the electric department of a municipality, or such department of a municipality as is responsible for the construction or operation of the electric works and it shall also mean the electric works themselves and their operations. In case the business of a licensee technically defined as a "municipality" (see Definition 22, § 101.02–22 of this chapter) is wholly and exclusively devoted to owning and operating an electric plant, then "electric department" and "municipality" will be synonymous terms.

(d) Separate accounts and accounting records shall be maintained for the electric department as though it were a separate corporation or concern unless the electric department be synonymous with municipality. (See paragraph (c) of this section.)

(e) In order that the books of the electric department may show accurately the results of operations, the electric department shall credit the appropriate accounts with the cost of property, services, materials, supplies, use of space or equipment, etc., furnished to the municipality or any other department thereof.

(f) Similarly, the accounts for electric operations shall include the cost of all items applicable thereto, including expenses of the electric department paid by the municipality, and services, materials, supplies, water supply, use of space or equipment, etc., furnished by the municipality or any other department thereof to the electric department.

(g) The offsetting debits or credits for the transactions covered in paragraphs (e) and (f) of this section to the extent that cash outlays or current settlements are not involved, shall be to Account 272, Constructive Surplus or Deficit.

(h) These provisions are intended to make possible an accurate determination of the results of operations of the electric department by including in the operating accounts all applicable items, whether or not they represent actual payments. Thus, if an office of an electric department is located in a general municipal building and if no rent is paid to the municipality for such space, the appropriate account for such rent shall be debited with an equitable amount and the offsetting credit shall be to Account 272, Constructive Surplus or Deficit.

(i) For convenience, all of the balance sheet, surplus, and clearing accounts prescribed for municipal licensees are listed hereinafter, but the texts are given for only those accounts which are in addition to those prescribed for other licensees and public utilities and for those accounts which are modified.

(j) Where fund accounting is required, fund accounts may be kept: *Provided, however,* That the keeping of such fund accounts shall not relieve municipal licensees of the obligation to keep accounts and records as prescribed herein. (App. I, effective Jan. 1, 1937.)

APPENDIX I

(See § 102.01–1 (i))

BALANCE SHEET ACCOUNTS

(For Municipal Licensees)

ASSETS AND OTHER DEBITS

UTILITY PLANT

100. Electric Plant.
107. Electric Plant Adjustments.
108. Other Utility Plant.

INVESTMENT AND FUND ACCOUNTS

110. Other Physical Property.
111. Advances to Municipality.
112. Other Investments.
113. Sinking Funds.
114. Miscellaneous Special Funds.

CURRENT AND ACCRUED ASSETS

120. Cash.
121. Special Deposits.
122. Working Funds.
123. Temporary Cash Investments.
124. Notes Receivable.
125. Accounts Receivable.
126. Receivables from Municipality.
128. Interest and Dividends Receivable.
129. Rents Receivable.
130. Accrued Utility Revenues.
131. Materials and Supplies.
132. Prepayments.
133. Other Current and Accrued Assets.

DEFERRED DEBITS

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

REACQUIRED SECURITIES

153. Reacquired Long-Term Debt.

LIABILITIES AND OTHER CREDITS

INVESTMENT OF MUNICIPALITY

200. Investment of Municipality.

LONG-TERM DEBT

210. Bonds—Electric.
211. Bonds—Municipality.
212. Advances from Municipality.
213. Miscellaneous Long-Term Debt.

CURRENT AND ACCRUED LIABILITIES

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

DEFERRED CREDITS

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

RESERVES

250. Reserve for Depreciation of Electric Plant.
251. Reserve for Amortization of Limited-Term Electric Investments.
252. Reserve for Amortization of Electric Plant Acquisition Adjustments.
253. Reserve for Depreciation and Amortization of Other Property.
254. Reserve for Uncollectible Accounts.
255. Insurance Reserve.
256. Injuries and Damages Reserve.
257. Employees' Provident Reserve.
258. Other Reserves.

CONTRIBUTIONS IN AID OF CONSTRUCTION

265. Contributions in Aid of Construction.

SURPLUS

271. Earned Surplus.
272. Constructive Surplus or Deficit.

SUPPLEMENTAL BALANCE SHEET ACCOUNTS

NOTE: In §§ 102.111 to 102.411, inclusive, the numbers to the right of the decimal point correspond with the respective account numbers in Appendix I of Uniform system of accounts prescribed for public utilities and licensees, Federal Power Commission, effective Jan. 1, 1937, pp. 149–151. Cross references to accounts are made by citing the account number, e. g., Account 126, instead of the corresponding section number (§ 101.126).

§ 102.111 *Advances to municipality.* This account shall include the amount of loans and advances made by the electric department to the municipality or its other departments, when such loans or advances are subject to repayment but not subject to current settlement.

NOTE: Charges to the municipality or its other departments which are subject to current settlement shall not be included in this account but in Account 126, Receivables from Municipality.

§ 102.126 *Receivables from municipality.* This account shall include all charges by the electric department against the municipality or its other departments which are subject to current settlement.

NOTE: When the combined balances of this account and Account 223, Payables to Municipality, result in a credit balance, such balance shall be reported, in stating the balance sheet, under the latter account.

§ 102.200 *Investment of municipality.* (a) This account shall include the investment of the municipality in its electric department, when such investments are not subject to cash settlement on demand or a fixed future time. Include herein the cost of debt-free electric-plant constructed or acquired by the municipality and made available for use of the electric department, cash transferred to the electric department for working capital, and other expenditures of an investment nature.

(b) There shall be charged to this account all amounts paid by the electric department in liquidation of the investment of the municipality.

NOTE A: Do not include in this account any amount representing advances subject to repayment or amounts subject to current settlement. (See Account 212, Advances from municipality, and Account 223, Payables to Municipality.)

NOTE B: Amounts authorized to be paid to municipalities representing interest upon the municipality's investment in the electric department, shall be charged to Account 535, Other Interest Charges; amounts paid as taxes or tax equivalents shall be charged to Account 507, Taxes.

§ 102.210 *Bonds—electric.* (a) There shall be included in this account the face value of actually outstanding bonds, maturing more than one year from date of issue, which are primarily the obligation of the electric department or which are payable solely out of the funds or earnings of the electric department, and not matured at the date of the balance sheet, including bonds issued by others which have been assumed by, and are payable solely out of the funds or earnings of, the electric department.

(b) The obligations herein shall be so recorded as to show the amount of each issue and each class of bonds.

NOTE A: Bonds issued or assumed for purposes of the electric department as to which no separate legal obligation to pay is imposed on the electric department, shall not be included in this account but in Account 211, Bonds—Municipality.

NOTE B: Bonds matured at the date of the balance sheet shall be excluded herefrom and included in Account 225, Matured Long-Term Debt.

NOTE C: In cases where the electric department and the municipality, as defined herein, are one and the same, all bonds issued or assumed for its purposes shall be included herein.

NOTE D: Securities of the electric department maturing one year or less from date of issue shall be included in Account 220, Notes Payable, except that where an issue of securities maturing serially over a period of more than one year contains short-term obligations, such obligations shall be included in this account.

NOTE E: For instructions relative to accounting for discount, expense, and premium on long-term debt includible in this account, see Balance sheet instruction 6 (§ 101.1–6 of this chapter).

§ 102.211 *Bonds—municipality.* (a) There shall be included in this account the face value of actually outstanding bonds, maturing more than one year from date of issue by the municipality for purposes of the electric department, which are primarily legal obligations of the municipality and not of the electric department, even though an implied obligation to pay is imposed on the electric department, and, in fact, payments thereon may be made by, or out of funds of, such electric department.

(b) The obligations included herein shall be so recorded as to show the amount of each issue and each class of bonds.

NOTE A: Bonds issued or assumed by the municipality for purposes of the electric department but which by their express terms are payable solely out of funds or earnings of the electric department, shall not be included in this account but in Account 210, Bonds—Electric.

NOTE B: Bonds matured at the date of the balance sheet shall be excluded herefrom and included in Account 225, Matured Long-Term Debt.

NOTE C: In cases where the municipality, as defined herein, and the electric department are one and the same, all bonds issued or assumed by the municipality shall be included in Account 210, Bonds—Electric.

NOTE D: Securities of the municipality maturing one year or less from date of issue, the proceeds of which were used or are specifically set aside to be used for purposes of the electric department, shall be included in Account 212, Advances from Municipality, Account 220, Notes Payable, Account 223, Payables to Municipality, or Account 200, Investment of Municipality, as appropriate, except that where an issue of securities of the municipality maturing serially over a period of more than one year contains short-term obligations, such obligations shall be included in this account.

NOTE E: For instructions relative to accounting for discount, expense, and premium on long-term debt includible in this account, see Balance sheet instruction 6 (§ 101.1–6 of this chapter).

§ 102.212 *Advances from municipality.* This account shall include the amount of loans and advances made by the municipality or its other departments to the electric department when such loans and advances are subject to repayment but not subject to current settlement.

NOTE: Charges to the electric department by the municipality or its other departments

which are subject to current settlement shall not be included in this account but in Account 223, Payables to Municipality.

§ 102.223 *Payable to municipality.* This account shall include amounts payable to the municipality which are subject to current settlement; also amounts authorized to be paid within one year from the date of the balance sheet as repayment of advances from, or investment of, the municipality, concurrent charges being made to Account 212, Advances from Municipality, or Account 200, Investment of Municipality, as appropriate.

NOTE: When the combined balances of this account and Account 126, Receivables from Municipality, result in a debit balance, such balance shall be reported, in stating the balance sheet, under the latter account.

§ 102.271 *Earned surplus.* This account shall include the balance, either debit or credit, of unappropriated surplus of the electric department arising from earnings. It shall not include amounts properly includible in Account 272, Constructive Surplus or Deficit.

§ 102.272 *Constructive surplus or deficit.* There shall be credited to this account amounts representing services, supplies, etc., furnished the electric department by the municipality or its other departments without charge, or the amount of the reduction if furnished at a reduced charge. There shall be charged to this account amounts representing electricity, services, supplies, etc., furnished by the electric department to the municipality or its other departments without charge, or the amount of the reduction if furnished at a reduced charge. (See Operating revenue instruction 8 hereinafter, § 102.6–8.)

EARNED SURPLUS ACCOUNT

(See § 102.01–1 (l)) (for Municipal Licensees)

CREDITS

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

DEBITS

410. Debit Balance Transferred from Income Account.
411. Authorized Cash Distributions to the Municipality.
413. Miscellaneous Reservations of Surplus.
414. Miscellaneous Debits to Surplus.
Total Debits.
271. Earned Surplus (at end of period).

SUPPLEMENTAL SURPLUS ACCOUNTS

§ 102.411 *Authorized cash distributions to the municipality.* This account shall include the cash distributions authorized to be made to the municipality out of the earned surplus of the electric department.

SUPPLEMENTAL INSTRUCTIONS, INCOME ACCOUNTS

§ 102.5–5 *Tax equivalents.* In cases where the electric department pays to the municipality amounts which are understood to constitute payments equivalent to or in lieu of amounts that would be paid if the department were subject to local tax levies, amounts thus authorized to be paid shall be charged to Account 507, Taxes, which account shall be so subdivided as to show actual taxes and amounts charged as tax equivalents or in lieu of taxes. (Instruction 5, Uniform system of accounts, public utilities and licensees, FPC, effective Jan. 1, 1937, p. 151.)

SUPPLEMENTAL INSTRUCTIONS, OPERATING REVENUE ACCOUNTS

§ 102.6–8 *Electric energy supplied to municipality.* Electric energy supplied to the municipality by the electric department shall be recorded in the revenue accounts provided herein at tariff rates or at rates equivalent to those paid by customers for like service. If the municipality does not pay for the electric energy thus supplied, or if payment is made at reduced rates, the total amount or difference, as the case may be, shall be charged to Account 272, Constructive Surplus or Deficit. All such revenues, except those properly includible in Account 603, Public Street and Highway Lighting, shall be included in Account 604, Other Sales to Public Authorities, which account shall be so subdivided as to show sales to the municipality and to other public authorities.

[Instruction 8, Uniform system of accounts, public utilities and licensees, FPC, effective Jan. 1, 1937, p. 151]

CLEARING ACCOUNTS

(See § 102.01–1 (l)) (for Municipal Licensees)

901. Charges by Municipality—Clearing.
902. Stores Expenses—Clearing.
903. Transportation Expenses—Clearing.
904. Laboratory Expenses—Clearing.
905. Shop Expenses—Clearing.

SUPPLEMENTAL CLEARING ACCOUNTS

§ 102.901 *Charges by municipality—clearing.* (a) This account shall include all charges made by the municipality against the electric department for any purpose whatsoever, except amounts payable by the electric department to the municipality for taxes imposed or tax equivalent, amounts payable as interest or return on the investment of the municipality in the electric department, and authorized cash distributions. Include in this account charges for or incident to management, supervision, purchasing, construction, accounting, engineering, legal, financial, rent, advertising, materials and supplies, equipment and other property, commissions, insurance, printing, portions of the salaries and expenses of officers and employees of the municipality chargeable to the electric department, and all other items, whether the ultimate distribution is to electric plant, operating expense, or other accounts.

(b) This account shall be cleared by charging to the appropriate accounts the amounts applicable thereto.

(c) No debits for any expenditures described in paragraph (a) of this section shall be made to any other account in this system of accounts except by clearing through this account. [Account 901, Uniform system of accounts, public utilities and licensees, FPC, effective Jan. 1, 1937, p. 152]

NOTE: The mandatory use of this account may be waived or suspended upon approval or order of the Commission, if equivalent information is readily obtainable from other sources in the records of the electric department.

PART 103—STEAM ROAD INVESTMENTS IN ROAD AND EQUIPMENT; APPLICATION OF ICC CLASSIFICATION

AUTHORITY: §§ 103.00–1 to 103.77, inclusive, issued under secs. 3 (13), 4 (b), 301, 304 (a), 308, 309, 49 Stat. 839, 854, 855, 858; 16 U. S. C., 796 (13), 797 (b), 825 (a), (b), 825 o (a), 825g, 825h.

GENERAL PROVISIONS

Sec.
103.00–1 Order of the Commission.
103.00–2 Introductory letter.
103.01–1 Determination of cost of licensed projects.

GENERAL INSTRUCTIONS

103.02–0 Records.
103.02–1 Accounts for investment in road and equipment.
103.02–2 Items to be charged.
103.02–3 Basis of charges.
103.02–4 Cost of construction.
103.02–5 Excavated material.
103.02–6 Items to be credited.
103.02–7 Property retired and replaced.
103.02–8 Property retired and not replaced.
103.02–9 Equipment retired.
103.02–10 Land retired.
103.02–11 Adjustments for converted property.
103.02–12 Expenses in connection with additions and betterments.
103.02–13 Interpretation of item lists.
103.02–14 Submission of questions.

ACCOUNTS FOR INVESTMENT IN ROAD AND EQUIPMENT

ROAD

103.1 Engineering.
103.2 Land for transportation purposes.
103.3 Grading.
103.4 Underground power tubes.
103.5 Tunnels and subways.
103.6 Bridges, trestles, and culverts.
103.7 Elevated structures.
103.8 Ties.
103.9 Rails.
103.10 Other track material.
103.11 Ballast.
103.12 Track laying and surfacing.
103.13 Right-of-way fences.
103.14 Snow and sand fences and snowsheds.
103.15 Crossings and signs.
103.16 Station and office buildings.
103.17 Roadway buildings.
103.18 Water stations.
103.19 Fuel stations.
103.20 Shops and enginehouses.
103.21 Grain elevators.
103.22 Storage warehouses.
103.23 Wharves and docks.
103.24 Coal and ore wharves.
103.25 Gas producing plants.
103.26 Telegraph and telephone lines.
103.27 Signals and interlockers.
103.28 Power dams, canals, and pipe lines.
103.29 Power plant buildings.
103.30 Power substation buildings.
103.31 Power transmission systems.
103.32 Power distribution systems.
103.33 Power line poles and fixtures.
103.34 Underground conduits.
103.35 Miscellaneous structures.
103.36 Paving.
103.37 Roadway machines.
103.38 Roadway small tools.
103.39 Assessments for public improvements.
103.40 Revenues and operating expenses during construction.
103.41 Cost of road purchased.
103.42 Reconstruction of road purchased.
103.43 Other expenditures—road.
103.44 Shop machinery.
103.45 Power plant machinery.

Sec.
103.46 Power substation apparatus.
103.47 Unapplied construction materials and supplies.

EQUIPMENT

103.51 Steam locomotives.
103.52 Other locomotives.
103.53 Freight-train cars.
103.54 Passenger-train cars.
103.55 Motor equipment of cars.
103.56 Floating equipment.
103.57 Work equipment.
103.58 Miscellaneous equipment.

GENERAL EXPENDITURES

103.71 Organization expenses.
103.72 General officers and clerks.
103.73 Law.
103.74 Stationery and printing.
103.75 Taxes.
103.76 Interest during construction.
103.77 Other expenditures—general.

GENERAL PROVISIONS

§ 103.00–1 *Order of the Commission.* At a General Session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 19th day of May A. D. 1914.

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

It is ordered, That the Classification of Investment in Road and Equipment of Steam Roads and the text pertaining thereto, embodied in printed form to be hereafter known as Issue of 1914, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the said Classification of Investment in Road and Equipment of Steam Roads with the text pertaining thereto be, and is hereby, prescribed for the use of carriers by rail (exclusive of electric railways) subject to the provisions of the Act to Regulate Commerce as amended, in the keeping and recording of their accounts of investment in road and equipment; that each and every such carrier and each and every receiver or operating trustee of any such carrier be required to keep all said accounts in conformity therewith; and that a copy of said issue be sent to each and every such carrier and to each and every receiver or operating trustee of any such carrier.

It is further ordered, That any such carrier or any receiver or operating trustee of any such carrier may subdivide any primary account established in said issue, or may make assignment of the amount included in any such primary account to operating divisions, to its individual lines, or to States: *Provided, however,* That such subprimary accounts set up or such assignments made by any such carrier or by any receiver or operating trustee of any such carrier do not impair the integrity of the accounts hereby prescribed: *And provided also,* That a list of such subprimary accounts set up or such assignments made be first filed in the office of the Division of Carriers' Accounts, subject to disapproval by the Commission.

It is further ordered, That in order that the basis of comparison with previous years be not destroyed, any such carrier or any receiver or operating trustee of any such carrier may, during the twelve months ending June 30, 1915, keep and maintain, in addition to the accounts of investment in road and equipment hereby prescribed, such portion or portions of its present accounts with respect to items of investment in road and equipment as may be deemed desirable by any such carrier or by any receiver or operating trustee thereof, for the purpose of such comparison; or, during the same period, may maintain such groupings of the primary accounts hereby prescribed as may be desired for that purpose.

It is further ordered, That, unless otherwise ordered, any such carrier or any receiver or operating trustee of any such carrier may keep any temporary or experimental accounts for investment the purpose of which shall be to develop economies in construction: *Provided, however,* That such temporary or experimental accounts shall not impair the integrity of any general or primary account hereby prescribed.

It is further ordered, That July 1, 1914, be, and is hereby, fixed as the date on which said issue of the Classification of Investment in Road and Equipment shall become effective.

§ 103.00–2 *Introductory letter.*

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, May 19, 1914.

To Accounting Officers of Steam Railways:

This Classification of Investment in Road and Equipment supersedes the Classification of Expenditures for Road and Equipment, First Revised Issue, effective July 1, 1907, with the Supplement thereto, effective July 1, 1908, and also the Classification of Expenditures for Additions and Betterments, First Revised Issue, effective July 1, 1910. It also supersedes conflicting instructions contained in Accounting Bulletin No. 8.

The plan of merging the accounts of expenditures for additions and betterments with the accounts for investment in road and equipment provides that carriers' records shall be kept in such form that the expenditures for additions and betterments may be reported separately from those for original road, original equipment, and road extensions.

Distinct accounts have been provided for the investment in several classes of buildings which, under the former classification, were included in the account "Miscellaneous structures."

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

In the preparation of the revision of the accounting rules contained in this and other classifications for steam roads, which are concurrently issued, the Commission has had the cooperation of the Association of American Railway Accounting Offices, and of its Standing Committee on Corporate, Fiscal, and General Accounts.

The classification, in tentative form, was presented for criticism and suggestions to the chief accounting officer of each railway and to the railway commissions of the several States. All suggestions received from such parties have been given careful consideration and many of them have been incorporated in the classification as here issued.

FRED W. SWENEY,
Chief Examiner of Accounts.

§ 103.01–1 *Determination of cost of licensed projects.* (a) In section 3 of the Federal Power Act, (49 Stat. 839; 16 U. S. C. 796 (13)), approved August 26, 1935, the words "net investment", as related to licensed projects, are defined as meaning "the actual legitimate original cost thereof as defined and interpreted in the 'classification of investment in road and equipment of steam roads, issue of 1914, Interstate Commerce Commission', plus similar costs of additions thereto and betterments thereof", minus the sum of certain specified items; and it is further provided in said section 3 that "The term 'cost' shall include, insofar as applicable, the elements thereof prescribed in said classification, but shall not include expenditures from funds obtained through donations by States, municipalities, individuals, or others * * *."

(b) The said classification is included herein in its entirety. It is not intended that it shall be used in the classification of debits and credits pertaining to licensed projects, but the principles set forth therein, except as modified by section 3 of the act, shall be controlling in the determination of the cost of original projects licensed under said act and of additions thereto and betterments thereof, and the elements of such cost.

(c) As used in paragraph (b) of this section, the term "original projects" for purposes of this system of accounts shall be understood to mean the lands, fixed improvements and equipment, and the franchises, rights, etc., provided and arranged for in the original plan for the construction of new plant. When the plans provide for the construction of the plant in more than one part or unit, the part or unit first completed or made ready for service shall constitute the original project, and subsequent acquisitions or construction of property shall be considered as additions.

GENERAL INSTRUCTIONS

§ 103.02–0 *Records.* The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for investment in road and equipment. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission. (Appen. II, effective Jan. 1, 1937, p. 9).

NOTE: In §§ 103.02–1 to 103.77, inclusive the numbers to the right of the dash correspond with the respective instruction num-

bers in "Classification of investment in road and equipment of steam roads prescribed by the Interstate Commerce Commission, issue of 1914," appendix II, Uniform system of accounts prescribed for utilities and licenses, Federal Power Commission, effective Jan. 1, 1937, pp. 9–14. Cross references to accounts (other than balance-sheet accounts which are not published herein) are made by citing the account number, e. g., Account 37, instead of the corresponding section number (§ 103.37).

§ 103.02–1 *Accounts for investment in road and equipment.* The accounts prescribed in this classification are designed to show the investment of the carrier in property devoted to transportation service. The carrier's investment in physical property other than transportation property is provided for in Balance-sheet account 705, "Miscellaneous physical property." The carrier means the accounting carrier, except when otherwise specifically indicated. The carrier's records shall be kept in such form that expenditures for additions and betterments may be reported separately from those for original road, original equipment, and road extensions, and shall show separately, the expenditures under each authorized addition and betterment project. (See Balance-sheet account 701, "Investment in road and equipment," and 702, "Improvements on leased railway property.")

§ 103.02–2 *Items to be charged.* To these accounts shall be charged the cost of original road, original equipment, road extensions, additions, and betterments; also the estimated values at time of acquisition of right of way and other road and equipment property donated to the carrier, except that unless authorized by the Commission no charges shall be made to these accounts after July 1, 1914, for donations received previously to that date. Applications to the Commission for including such items in the road and equipment accounts shall contain full information concerning the source and character of the donations.

If the total cost of additions and betterments to any class of equipment, or any class of fixed improvements (except tracks), under a general plan, considered as a whole, is less than $200, the option may be exercised of charging the amount expanded to the appropriate account in Operating Expenses. This section is not to be construed as authorizing the parceling of expenditures in order to bring them within this limit.

Construction includes all processes connected with the acquisition and construction of original road and equipment, road extensions, additions, and betterments.

Original road means the land and fixed improvements provided and arranged for in the original plan for the construction of a new road. When the acquisition of any such fixed improvements under the original plan is deferred, such improvements, when acquired, shall be considered as additions. Original road shall not be construed to include fixed improvements which, under the original plans for the road, it is proposed to substitute at some time subsequent to the beginning of commercial operations for the improvements originally installed and used for transportation operations, such as steel bridges substituted for trestles.

Original equipment means equipment provided and arranged for under the original plan for the construction of a new road. When the acquisition of such equipment under the original plan is deferred, such equipment, when acquired, shall be considered as additions.

Road extensions means the land and fixed improvements provided and arranged for in the original plan for the construction of extensions of existing main lines, additional branch lines, and extensions of existing branch lines. When the acquisition of any such fixed improvements under the original plan is deferred, such improvements, when acquired, shall be treated as additions. Road extensions shall not be construed to include fixed improvements which under the original plans for the extensions it is proposed to substitute, at some time subsequent to the beginning of commercial operations, for the improvements originally installed and used for transportation in connection with commercial operations, such as steel bridges substituted for trestles.

Equipment means the rolling stock, boats, highway, vehicles, horses, and harness devoted to transportation service, the cost of which is includible in the equipment accounts.

Fixed improvements means structures which are fixed as to location, such as tunnels, bridges, buildings, earthworks, etc.

Additions are additional facilities, such as additional equipment, tracks (including timber and mine tracks), buildings, bridges, and other structures; additions to such facilities, such as extensions to tracks, buildings, and other structures; additional ties laid in existing tracks; and additional devices applied to facilities, such as air brakes applied to cars not previously thus equipped. When property, such as a section of road, track, unit of equipment, shop or power plant machine, building, or other structure, is retired from service and replaced with property of like purpose, the newly acquired property shall, for the purpose of this classification, be considered as an addition, and the cost thereof accounted for accordingly. (See § 103.02–7.) If, however, the property retired and replaced is of minor importance, such as a small roadway building or other structure, and is replaced in kind without betterment, the cost of the replacement shall be charged to Operating Expenses, and no adjustment made in the road and equipment accounts.

Betterments are improvements of existing facilities through the substitution of superior parts for inferior parts retired, such as the substitution of steel-tired wheels for cast wheels under equipment, the application of heavier rail in tracks, and the strengthening of bridges by the substitution of heavier members. The cost chargeable to the accounts of this classification is the excess cost of new parts over the cost at current prices of new parts of the kind retired. (See § 103.02–12.)

Costs shall be actual money costs to the carrier. Where a portion of the funds expended by the carrier has been obtained through donations by States, municipalities, individuals, or others, no deductions on account of such donations shall be made in stating the costs. Contributions for joint expenditures should not be considered as donations. The carrier's proportion only of the cost of joint projects, such as construction of jointly owned tracks and elimination of highway crossings at joint expense, shall be included in these accounts.

§ 103.02–3 *Basis of charges.* The charges to the accounts of this classification shall be based upon the cost of the property acquired. When the consideration given for the purchase or the improvement of property the cost of which is chargeable to the accounts of this classification is other than money, the money value of the consideration at the time of the transaction shall be charged to these accounts, and the actual consideration shall be described in the record in sufficient detail to identify it. The carrier shall be prepared to furnish the Commission, upon demand, the particulars of its determination of the actual cash value of the consideration, if other than money.

§ 103.02–4 *Cost of construction.* It is intended that the accounts for fixed improvements and equipment shall include the cost of construction of such property. The cost of construction shall include the cost of labor, materials and supplies, work-train service, special machine service, transportation, contract work, protection from casualties, injuries and damages, privileges, and other analogous elements in connection with such work. The several items of cost here referred to are defined as follows:

(a) Cost of labor includes the amount paid for labor expended by the carrier's own employees, including the cost of labor expended for preliminary work, such as sinking test holes or making soundings for tunnels, grading, buildings, and other structures; and cost of labor expended in laying and taking up tracks for temporary use in construction, except the cost of labor expended on tracks provided for the protection of traffic during the progress of addition and betterment work. Office expenses and traveling and other personal expenses of employees, when borne by the carrier, shall be considered a part of the cost of the labor, as shall also the cost of fidelity bonds and employers' liability insurance premiums. When officers or employees are specially assigned to construction work, their pay and their traveling and incidental expenses while thus engaged shall be included in the cost of the work. No charge shall be made against road and equipment accounts for the pay of officers who merely render services incidentally in connection with extensions, additions, or betterments, although traveling and incidental expenses incurred by such officers solely on account of such work shall be included in the account to which the cost of the work is chargeable.

(b) Cost of materials and supplies includes the purchase price of materials

and supplies, including small tools, at the point of free delivery, plus the costs of inspection and loading assumed by the carrier; also a suitable proportion of store expenses. (See special instructions for operating expense accounts, sections 16 and 17.) In calculating the cost of materials used, proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc.; for the value of the material recovered from temporary tracks, scaffolding, cofferdams, and other temporary structures used in construction; and for the value of small tools recovered and used for other purposes.

(c) Cost of work-train service includes amounts paid to others for rent and maintenance of the equipment used; cost of labor of enginemen, trainmen, and enginehouse men, including the wages of engine crews and train crews held in readiness for such service; and the cost of fuel and other supplies consumed in connection with the operation of work trains. It shall also include the cost of maintaining the carrier's own equipment while used in construction service and a fair rent for such equipment while so used. Amounts charged for rent of such equipment used in construction shall concurrently be credited to the appropriate income account for hire of equipment. No "rent" or return upon the investment in such equipment shall be charged for the use of equipment acquired with the proceeds of securities sold, when the interest upon such securities is charged to the accounts of this classification.

(d) Cost of special machine service includes the cost of labor expended and of materials and supplies consumed in maintaining and operating steam shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines. (See Note A under Account 37, "Roadway machines," and text of general account II, Equipment, seventh paragraph.)

(e) Cost of transportation includes the amounts paid to other companies or individuals for the transportation of men, materials and supplies, special machine outfits, appliances, and tools in connection with construction. Freight charges paid foreign lines for the transportation of construction material to the carrier's line shall be included, so far as practicable, as a part of the cost of the material, when such charges are borne by the carrier. A fair allowance representing the expense to the carrier of such transportation in transportation service trains over the carrier's own line also shall be included. When the cost of such transportation is not assignable to specific work, it shall be included in Account 43, "Other expenditures—Road." Amounts thus charged for transportation in transportation service trains over the carrier's line shall be credited to operating expense general account VIII, Transportation for Investment—Cr.

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

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

(h) Cost of injuries and damages includes expenditures on account of injuries to persons or damage to property when incident to construction projects, and shall be included in the cost of the work in connection with which the injury or damage occurs. It also includes that portion of premiums paid for insuring property applicable to the period prior to the completion or coming into service of the property insured. Insurance recovered on account of compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged, and insurance recovered on account of damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages incident to the removal of old structures, or parts thereof, shall be charged to Operating Expenses or Profit and Loss, as may be appropriate, except that such costs in connection with the removal of old structures which are incumbrances on newly acquired lands shall be included in Account 2, "Land for transportation purposes," or 3, "Grading," as may be appropriate. (See §§ 103.02–7, 103.02–8.)

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

§ 103.02–5 *Excavated material.* The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of removal and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

§ 103.02–6 *Items to be credited.* To these accounts shall be credited the ledger value of property retired.

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

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

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

§ 103.02–7 *Property retired and replaced.* When a unit of property other than land or equipment—such as a section of road, side or yard track, shop or power plant machine, building, or other structure—is retired from service and replaced with property of like purpose, the ledger value of the retired property shall be credited to the appropriate accounts of this classification at the time that the property is retired from service. The amount of this credit shall be charged concurrently as follows:

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

If, however, the property retired and replaced with property of like purpose is of minor importance, such as a small roadway building or other small structure, and is replaced in kind without betterment, the cost of the replacement shall be charged to operating expense accounts, and no adjustment made in the road and equipment accounts.

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

The provisions of this section are applicable in accounting (at the time of retirement) for the cost of property abandoned, even though the new property has been actually installed previously to the date of the demolishment of the abandoned property.

When the renewals to be made to an important building or other structure will constitute the major portion of its value when renewed, the property, when taken out of service, shall be considered as retired and accounted for as provided above, and for the purposes of this classification the renewed property shall be considered as an addition, and the appraised cost thereof shall be included in the accounts of this classification, consideration being given to the secondhand portions remaining therein. In no case shall the charge for the renewed property exceed the cost (at current market prices of labor and material) of new property of equal capacity and equal expectation of life in service, less a suitable allowance on account of the secondhand parts remaining therein.

§ 103.02–8 *Property retired and not replaced.* When a unit of property other than land or equipment—such as a section of road, side or yard track, shop or power plant machine, building, or other structure—is retired from service and not replaced, the ledger value shall be credited to the appropriate property accounts at the time that the property is retired from service. The amount of this credit shall be concurrently charged as follows:

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

§ 103.02–9 *Equipment retired.* The instructions for accounting for equipment retired are contained in the text of the general account II, Equipment.

§ 103.02–10 *Land retired.* When any land, the cost of which is included in the accounts of this classification, is retired, the ledger value shall be credited to Account 2, "Land for transportation purposes." If the land is retained by the carrier, its estimated value shall be charged to Balance-sheet account 705, "Miscellaneous physical property," the necessary adjustment of the difference between the ledger value and the estimated value on account of the loss in the property due to its retirement from transportation service shall be made through Profit and Loss. If sold, the difference between the ledger value credited to Account 2 and the amount received for the land shall be adjusted in Profit and Loss.

§ 103.02–11 *Adjustments for converted property.* When property, such as a unit of equipment, a building, or other facility of one class, is converted into property of another class, so that the amount of investment in such property must be transferred from one account of this classification to another, the ledger value shall be credited to the appropriate road and equipment account. Proper account shall be taken of any salvage recovered in the process of conversion. The amount of the balance in the accrued depreciation balance-sheet account, with respect to the property thus converted, shall be charged to that account. The appraised cost of the property converted (consideration being given to the secondhand portions remaining therein) shall be included in the appropriate account of this classification. The charge for the converted property in no case shall exceed the cost (at current market prices of labor and material) of new property of equal capacity and equal expectation of life in service, less a suitable allowance on account of the secondhand portions remaining therein. The ledger value of the property before conversion, plus the cost of conversion, less the sum of the estimated value of the property as converted, the amounts charged to accrued depreciation accounts, and the salvage recovered, shall be charged to the operating expense accounts appropriate for the costs of repairs of the fixed improvements or for the retirement of equipment before conversion.

§ 103.02–12 *Expenses in connection with additions and betterments.* The cost of removing old material from equipment and from buildings, bridges, wharves, tracks, and other fixed improvements, shall be charged to the appropriate operating expense accounts. Such charges shall include the cost of removing old foundations and filling old excavations, and restoring condition of grounds after addition and betterment work; rearranging or relocating existing tracks; relocating telegraph and telephone poles or lines, fences, track and other signals, buildings, bridges, trestles, culverts, and other structures, and farm and highway crossings, including crossing gates and alarms, when the provisions of § 103.02–8 are not applicable; and maintaining or protecting traffic during the progress of addition and betterment work, including the cost of constructing, maintaining, and removing temporary tracks required for maintaining traffic during the progress of the work.

§ 103.02–13 *Interpretation of item lists.* Lists of "items," "details," etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case are to be considered as merely representative, and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of the item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The item of boilers, for example, will be found under Accounts 18, 27, 37, 44, and 45, and the proper charge in any one instance must be determined by the text of the account.

§ 103.02–14 *Submission of questions.* To the end that uniformity of accounting may be maintained from year to year, carriers shall submit all questions of doubtful interpretation of the accounting rules to the Commission for consideration and decision.

ACCOUNTS FOR INVESTMENT IN ROAD AND EQUIPMENT

ROAD

NOTE: The several primary accounts included in this general account are designed to show the cost of land, fixed improvements, and roadway machines and tools owned by the carrier and devoted to transportation service.

§ 103.1 *Engineering.* This account shall include the pay and expenses of engineers, assistants, and clerks engaged in the survey and construction of new lines and extensions, or in making additions to and betterments of the carrier's road, including wharves and docks.

LIST OF OFFICERS AND EMPLOYEES

(See general instructions, § 103.02–13)

Chief engineer.
Assistant engineers.
Bridge engineer.
Signal engineer.
Architects.
Chief clerk.
Draftsmen.
Clerks.
Transitmen.
Levelmen.
Rodmen.
Chainmen.
Axmen.
Messengers.
Cooks on business cars.
Porters on business cars.

ITEMS OF EXPENSE AND SUPPLIES

(See general instructions, § 103.02–13)

Atlases and maps.
Axes.
Barometers.
Books for office use.
Boxes for materials and instruments.
Business car service.
Cameras.
Camp equipage.
Chains for surveyors.
Compasses.
Curves.
Drawing boards.
Drawing instruments.
Field glasses.
Field notebooks.
Furniture repairs and renewals.
Hatchets.
Heating and lighting.
Levels.
Magnets.
Magnifiers.
Marking chalk.
Official train service.
Oilstones.
Paper, blue-print.
Parallel rules.
Periodicals and newspapers.
Photographic supplies.
Plane tables.
Planimeters.
Plummets.
Printing and stationery.
Protractors.
Provisions for business cars.
Ranging poles.
Reading glasses.
Rent of offices.
Repairs of rented offices.
Rods for surveyors.
Scales.
Section liners.
Sextants.
Slide rules.
Stakes.
Straightedges.
Tally registers.
Tape lines.
Tee squares.
Telegraph service.
Telephone service.
Telescopes.
Thermometers.
Thumb tacks.
Tracing linen.
Transits.
Traveling expenses.
Traverse tables.
Triangles.
Tripods.
Verniers.
Water and ice.

NOTE A: When employees designated above are engaged in the maintenance of the road, their pay and expenses while thus employed shall be charged to Operating Expenses.

NOTE B: Expenditures for tentative or preliminary surveys shall be carried in a suspense account until it is determined whether or not to continue the work. If the project

is continued, expenditures for all surveys in connection therewith shall then be transferred to this account, and, if abandoned, to Operating Expenses, Income, or Profit and Loss, as may be appropriate.

NOTE C: The cost of designing, making plans and specifications, and supervising the construction of equipment shall be included in the cost of the equipment.

NOTE D: The cost of stationery and printing supplies used for accounting purposes in connection with engineering work shall be included in Account 74, "Stationery and Printing," when not directly assignable to specific road or equipment accounts.

NOTE E: Fees and expenses of architects specially employed for designing or supervising the construction of buildings shall be included in the accounts appropriate for the cost of the buildings constructed.

§ 103.2 *Land for transportation purposes.* This account shall include the cost of land of necessary width acquired for roadway; the cost of land for station, office, shop, and other grounds; for ingress to or egress from such grounds; for borrow pits, waste banks, snow fences, sand fences, and other railway appurtenances; and for storage of material adjoining the right of way; the cost of land for wharves and docks and the cost of riparian or water rights necessary therefor; the cost of removing from the right of way and locating elsewhere the property of others, and the cost of the necessary land for relocation of the property, when such costs are assumed by the accounting carrier.

The carrier's records shall be kept in such manner as to show separately the cost of land purchased by it and the estimated values at time of acquisition of lands donated.

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

ITEMS OF EXPENSE

(See general instructions, § 103.02–13)

Abstracts.
Appraisals.
Arbitrators in condemnation cases.
Commissions paid to others.
Condemnation expenses, including court costs and special counsel fees.
Damages to property of others.
Deferred payments for right of way.
Ditches for waterways when part of consideration.
Judgments and decreed costs to clear or defend titles.
Notarial fees.
Plats.
Premiums on condemnation bonds.
Recording deeds.
Payments for relinquishment of cattle passes and other rights.
Removal and relocation of buildings and other structures not purchased.
Rent of land when part of consideration for purchase.
Right-of-way agents' compensation (engaged solely in acquiring right of way).
Taxes accrued and assumed at time of purchase.

NOTE: The cost of land acquired in excess of that necessary for transportation operations shall be included in Balance-sheet account 705, "Miscellaneous physical property." When the purchase of land acquired for transportation operations involves the purchase of land not used for such purposes the charges to this account shall be based upon the estimated cost of only that portion which is used for such purposes, and the cost of the remaining land shall be included in Account 705, "Miscellaneous physical property."

§ 103.3 *Grading.* This account shall include the cost of clearing and grading the roadway, and of constructing protection of a permanent character for the roadway, tracks, embankments, and cuts.

When a part of a bridge or trestle, or the entire structure, is converted by filling into an earth embankment, and the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be included in the cost of the filling, and charged to this account. (See Note A, under Account 6, "Bridges, trestles, and culverts.")

When a tunnel is converted into an open cut, the cost of clearing, grubbing, and excavating shall be included in this account.

DETAILS OF ROADBED AND ITEMS OF EXPENSE

(See general instructions, § 103.02–13)

Advertising for contractors' bids.
Berm ditches.
Blasting.
Breakwaters.
Bulkheading.
Clearing land.
Cribbing.
Ditches (not required by right-of-way agreement).
Dressing slopes.
Excavation for conversion of tunnels into open cuts.
Filling bridges, trestles, and culverts.
Grading outfits.
Grubbing land.
Material taken from borrow pits.
Operation of steam shovels.
Payments for privilege of wasting material on the property of others.
Payments for waste banks off the right of way.
Reconstruction of highways.
Retaining walls.
Revetments.
Riprap.
Spoil banks.
Temporary trestling for fills.
Tools for grading.
Wing dams.

§ 103.4 *Underground power tubes.* This account shall include the cost of power tubes or conduits for underground contacts of electric railways or for underground cables of cable traction railways.

DETAILS OF UNDERGROUND CONTACT SYSTEM

(See general instructions, § 103.02–13)

Concrete work.
Drainpipes.
Manhole covers.
Manhole frames.
Plow pits.
Pulleys.
Sheaves.
Slot rails.
Yokes.

NOTE: The cost of track rails, other track material, and electric contact rails and insulators shall be charged to the accounts appropriate for such property.

§ 103.5 *Tunnels and subways.* This account shall include the cost of tunnels and subways for the passage of trains, including apparatus for ventilating and lighting, and safety devices therein, other than signals.

NOTE A: The cost of tracks, including guard rails, in tunnels shall not be charged to this account.

NOTE B: Station subways not highway crossings are includible in account No. 16, "Station and office buildings."

NOTE C: If a tunnel be converted into an open cut, the accounting shall be in accordance with general instructions, § 103.02–11.

§ 103.6 *Bridges, trestles, and culverts.* This account shall include the cost of the substructure and superstructure of bridges, trestles, and culverts, which carry the tracks of the carrier over watercourses, ravines, public and private highways, and other railways.

DETAILS OF BRIDGE STRUCTURES

(See general instructions, § 103.02–13)

Abutments.
Bridge signs.
Cofferdams.
Concrete and masonry ends for culverts.
Cribs.
Decking, including gravel for fire protection.
Dike protection.
Drainage systems.
Draw protection.
Drawbridge engines and machinery.
False work.
Guard timbers.
Ice breakers.
Painting (except repainting).
Pier protection.
Piers and foundations.
Pipe culverts.
Retaining walls.
Riprap around abutments.
Riprap at culvert ends.
Supports.
Water channels.
Waterproofing.
Wing dams.
Wing walls.

NOTE A: When a part or the entire structure of a bridge or trestle is converted, by filling, into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to this account. In case the bridge or trestle is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be charged to Account 3, "Grading." The ledger value of the structure, or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charge to Account 3, shall be charged to Operating Expenses.

NOTE B: The cost of bridges to carry the carrier's tracks over undergrade crossings, including the necessary piers and abutments for sustaining them, shall be included in this account, but the cost of undergrade roadways, paving on right of way, drainage systems, and retaining walls outside of the bridge abutments, shall be included in Account 15, "Crossings and signs."

§ 103.7 *Elevated structures.* This account shall include the cost of elevated structures and foundations of elevated railway systems.

This account is applicable to structures other than earthwork, which are for the purpose of elevating tracks above the grade of streets, and which are not properly classable as bridges or trestles.

NOTE: The cost of stations and other structures built on elevated structures shall be accounted for according to the class of the structure thus superimposed, and not in this account.

§ 103.8 *Ties.* This account shall include the cost of cross, switch, bridge, and other track ties used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of additional

ties subsequently laid in such tracks; also the excess cost of metal ties used in repairs of track over the cost to replace in kind wooden ties removed.

The cost of handling ties in general supply and storage yards shall be included as store expenses apportioned to this account when the ties are used for construction purposes.

NOTE A: The cost of labor for unloading, distributing, and placing the ties in tracks, and the cost of train service in connection with the distribution of ties laid shall be charged to Account 12, "Track laying and surfacing."

NOTE B: The cost of ties used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of ties used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

§ 103.9 *Rails.* This account shall include the cost of rails used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the excess cost of heavier rails or rails of improved types or quality used for repairs of tracks over the cost to replace in kind the rails removed.

The cost of handling rails in general supply and storage yards shall be included as store expenses apportioned to this account when the rails are used for construction purposes.

To this account shall be credited the difference between the cost (at current prices at time of removal) of heavy rails removed and the cost of lighter rails applied in the repairs of tracks.

NOTE A: The cost of labor for unloading, distributing, and placing the rails in tracks, and of train service in connection with the distribution of the rails, shall be charged to Account 12, "Track laying and surfacing."

NOTE B: When secondhand rails are first applied to any tracks and no more than the actual cost of such rails is carried in the road accounts, the excess cost of new or heavier rails used for relaying the tracks over the cost (at prices current at the time of replacement) of rails of a weight and condition equal to the weight and condition of the released rails when applied, shall be charged to this account.

NOTE C: The cost of rails used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of rails used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

§ 103.10 *Other track material.* This account shall include the cost of material used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), except ballast and material chargeable to foregoing accounts; also the excess cost of heavier or improved "other track material" used in repairs of tracks over the cost of replacing in kind such material removed.

The cost of handling "other track material" in general supply and storage yards shall be included as store expenses apportioned to this account when such material is used in the construction of new tracks.

ITEMS OF OTHER TRACK MATERIAL

(See general instructions, § 103.02–13)

Angle bars.
Anticreepers.
Bumping posts.
Compromise joints.
Connecting rods.
Crossings for steam and electric railways, including foundations or bases.
Derails.
Frog blocking.
Frogs.
Guard-rail blocking.
Guard-rail clamps.
Guard-rail fasteners.
Guard rails, switch and other.
Main rods.
Nut locks.
Nuts.
Offset bars.
Rail braces.
Rail chairs.
Rail clips.
Rail joints.
Rail rests.
Rail shims.
Rail splices.
Splice bars.
Step chairs.
Switch chairs.
Switch crossings.
Switch lamps.
Switch locks and keys.
Switch points.
Switch stands.
Switch targets.
Switches.
Tie plates.
Tie plugs.
Tie-rods.
Track bolts.
Track insulators.
Track spikes.

NOTE A: The cost of labor and train service for distributing, unloading, and applying "other track material" shall be charged to Account 12, "Track laying and surfacing."

NOTE B: No entry is required in this account with respect to improved "other track material" unless installed under a definite plan of changing standards, such as increasing the weight of rail.

NOTE C: The cost of "other track material" used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of such track material used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

§ 103.11 *Ballast.* This account shall include the cost of gravel, stone, slag, cinders, sand, and like material used in ballasting tracks (including tracks in shops, fuel stations, supply yards, etc.) not previously ballasted, including cost of work-train service and of unloading; cost of ballast applied in excess of ballast required to restore to its maximum height and width the ballast previously put on the road-bed; and the excess cost of improved ballast used in renewals over the cost to replace in kind to the original height and width the ballast removed. (Special instructions, §103.02–11, for operating expense accounts, apply to the accounting for pits from which ballast material is obtained either for construction work or for maintenance, or for both.)

NOTE A: The cost of ballast used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

NOTE B: Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE C: The cost of ballast material placed on the decking of bridges solely for fire-protection purposes shall be included in Account 6, "Bridges, trestles, and culverts."

NOTE D: No charge shall be made to the accounts of this classification representing the value of cinders accumulated by the carrier.

§ 103.12 *Track laying and surfacing.* This account shall include the cost of distributing (including train service), laying, and adjusting ties, rails, and other track material used in the construction of tracks for the movement or storage of locomotive or cars, including repair tracks, but not tracks on car floats or temporary tracks the cost of which is chargeable to clearing accounts. It shall also include the cost of the labor expended in placing ballast in tracks not previously ballasted.

NOTE A: The cost of distributing and adjusting ties, rails, ballast, and other track material for repairs shall be charged to Operating Expenses, both when such materials are replaced in kind and when replaced with improved and heavier material.

NOTE B: The cost of work-train service in delivering ballast and of unloading such material is provided for in Account 11, "Ballast."

§ 103.13 *Right-of-way fences.* This account shall include the cost of right-of-way fences (including permanent snow and sand fences erected in lieu of right-of-way fences), farm gates, cattle guards, wing fences, aprons, and hedges, on property not previously fenced, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

§ 103.14 *Snow and sand fences and snowsheds.* This account shall include the cost of snowsheds, including rock filling when necessary, and cost of permanent or portable fences for the protection of tracks from snow and sand, other than such permanent fences erected in lieu of right-of-way fences and chargeable to Account 13, "Right-of-way fences."

§ 103.15 *Crossings and signs.* This account shall include the cost of constructing farm passes, highways, and other railways across the carrier's right of way, except railways crossing at grade; cost of track signs, crossing gates, highway-crossing alarms, planking, paving, and watch houses at crossings; and the portion borne by the carrier of cost of overgrade and undergrade crossings constructed to eliminate grade crossings.

DETAILS OF GRADE CROSSINGS

(See general instructions, § 103.02–13)

Batteries, with track instruments and connections.
Crossing gates.
Crossing signal bells.
Paving.
Planking.
Soil crossing drains.
Warning signals.
Watch houses.
Water pipes.

DETAILS OF OVERGRADE CROSSINGS

(See general instructions, § 103.02–13)

Bridge superstructures.
Bridge substructures.
Decking, including roadways.
Drainage systems.
Piers, including foundations.
Retaining and wing walls, including foundations.

DETAILS OF UNDERGRADE CROSSINGS

(See general instructions, § 103.02–13)

Curbing.
Drainage systems.
Paving on right of way.
Retaining walls outside of bridge abutments.
Roadways.
Sidewalks.

LIST OF SIGNS

(See general instructions, § 103.02–13)

Boundary signs.
Mile signs.
Monument stones.
Overhead-bridge caution signs.
Section signs.
Slow or stop signs.
Subdivision boards.
Tunnel caution signs.
Water station signs.
Water trough signs.
Whistle signs.
Yard-limit signs.

NOTE A: The cost of shop and station overgrade footbridges and subways not public highways shall be included in the cost of the buildings.

NOTE B: The cost of bridges or trestles carrying the carrier's tracks over roads, highways, or other railways shall be charged to Account 6, "Bridges, trestles, and culverts," but the cost of a bridge or other structure which carries farm passes, highways, or the tracks of another carrier over the carrier's tracks shall be included in this account.

§ 103.16 *Station and office buildings.* This account shall include the cost of station and office structures, their fixtures, appurtenances, and furniture necessary first to equip the buildings for use.

STATION AND OFFICE STRUCTURES AND DETAILS

(See general instructions, § 103.02–13)

Baggage rooms.
Breakwaters for protection of buildings.
Buildings and rooms for trainmen.
Buildings on piers.
Call bells.
Coal bins.
Coal transferring machinery (not on coal and ore wharves).
Coal trestles (not at fuel stations).
Commissarial buildings.
Drainage and sewerage systems.
Dwellings.
Eating houses.
Electric wiring.
Elevators and machinery.
Express buildings.
Fences.
Fire-engine houses.
Freight cranes.
Freight derricks.
Freight handling machinery.
Freight houses.
Garages.
Gas-supply systems.
General office buildings.
Grain cribs.
Grain elevators.
Grain warehouses.
Greenhouses.
Hay houses.
Heating plants.
Hedges.
Hoisting engines, for handling freight.
Hose houses.
Ice houses.
Lighting plants.
Mail cranes.
Milk stands.
Office buildings.
Ore-transferring machinery.
Outhouses.
Pavement within ground limits.
Platforms, freight.
Platforms, passenger, including planking between tracks.
Power distribution systems, interior.
Reading rooms.
Rooms for Y. M. C. A.
Scale houses.
Sidewalks.
Stables.
Station footbridges (not highway crossings.)
Station intertrack fences.
Station platforms.
Station signs.
Station stairways.
Station subways (not highway crossings).
Station power houses.
Stations, freight.
Stations, passenger.
Stock pens.
Storehouses.
Telegraph offices.
Telpher systems.
Track scales.
Transfer houses.
Transfer platforms.
Waiting rooms.
Warehouses.
Washrooms.
Water-supply systems.
Yard offices.

NOTE A: Office buildings used exclusively in connection with maintenance of way shall be included in Account 17, "Roadway buildings." Those used exclusively in connection with maintenance of equipment shall be included in Account 20, "Shops and enginehouses."

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

§ 103.17 *Roadway buildings.* This account shall include the cost of roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and connections; and all machinery, fixtures, and furniture to equip the buildings ready for use.

LIST OF ROADWAY BUILDINGS

(See general instructions, § 103.02–13)

Bins for material.
Blacksmith shops.
Boarding houses.
Breakwaters for protection of buildings.
Carpenter shops.
Dwellings.
Fire-engine houses.
Frog shops for repair of track material.
Hand-car houses.
Lighting plants.
Lumber sheds.
Offices.
Outhouses.
Planing mills.
Rail shops for repair of track material.
Repair shops.
Scrap bins.
Section dwelling houses.
Stables.
Storehouses.
Tool houses.
Watch houses.

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

§ 103.18 *Water stations.* This account shall include the cost of structures, facilities, and appliances necessary to equip for service stations for supplying water. The cost of analyses of water preliminary to the establishment of water stations shall be included in this account.

WATER STATION STRUCTURES AND DETAILS

(See general instructions, § 103.02–13)

Boilers.
Breakwaters for protection of buildings.
Buildings on piers.
Cisterns.
Dams.
Fences.
Outhouses.
Penstocks.
Pump houses.
Pumps.
Purifying plants.
Reservoirs.
Settling basins.
Stationary engines.
Steam pipes.
Tanks and foundations.
Test wells.
Track tanks.
Tubs.
Water cranes.
Water pipe lines.
Water-treating plants.
Wells.
Windmills.

NOTE A: The cost of water stations used solely for supplying water to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B: The cost of a temporary water station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the water station is used.

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

§ 103.19 *Fuel stations.* This account shall include the cost of structures, facilities other than tracks, and appliances necessary to equip for service stations for supplying fuel to locomotives and floating equipment.

FUEL STATION STRUCTURES AND DETAILS

(See general instructions, § 103.02–13)

Breakwaters for protection of buildings.
Buckets.
Buildings on piers.
Coal buckets.
Coal buggies.
Coal hoists.
Coal pockets and chutes.
Dumping machinery.
Elevating machinery.
Fences.
Fuel houses or stations.
Fuel-oil columns.
Fuel-oil plants.
Fuel-oil pumps.
Fuel-oil sumps.
Fuel-oil tanks.
Fuel platforms.
Fuel wharves.
Inclines.
Outhouses.
Scales.
Sheds.
Stationary engines.
Tipple cars.
Weighing apparatus.
Wood racks.

NOTE A: The cost of fuel stations, coal houses, etc., used solely for supplying fuel to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B: The cost of a temporary fuel station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the fuel station is used.

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

§ 103.20 *Shops and enginehouses.* This account shall include the cost of buildings to be used as shops, enginehouses, and storehouses for material for maintenance of equipment; foundations, except those special to particular machines and other apparatus; furniture and fixtures other than equipment chargeable to Account 44, "Shop machinery"; drainage, sewerage, and water-supply systems; and plants for heat and light.

SHOP AND ENGINEHOUSE STRUCTURES AND DETAILS

(See general instructions, § 103.02–13)

Air-compressor houses.
Ash pits and pockets.
Ash plants.
Bins for material.
Blacksmith shops.
Breakwaters for protection of buildings.
Buildings on piers.
Car sheds.
Car shops.
Carpenter shops.
Cinder pits.
Cinder pockets.
Drop pits.
Dry houses.
Electric-power distribution systems within buildings.
Enginehouses.
Fire-engine houses.
Footbridges (not public highways).
Foundries.
Gas-compressor houses.
Heating plants.
Hose houses.
Ice houses.
Laboratories.
Lighting plants.
Lumber sheds.
Machine shops.
Material and supply truck tracks.
Motor-crane tracks.
Offices, shop.
Oil houses.
Outhouses.
Paint shops.
Pipe lines, air, interior.
Pipe lines, car-heating.
Pipe lines, gas, interior.
Planing mills.
Platforms, shop and yard.
Repair shops.
Sand houses.
Scale houses.
Scrap bins.
Sidewalks.
Stables.
Steam-distribution systems, interior.
Storehouses.
Tanks, gas.
Tanks, oil.
Test rooms.
Tin shops.
Tool houses.
Track scales.
Transfer tables.
Turntables.
Upholstering shops.
Warehouses.
Wash rooms.
Watch houses.

NOTE A: The cost of distinct power plant buildings for shop purposes shall be included in Account 29, "Power plant buildings." Cost of distribution systems leading from such power plants to shops and enginehouses shall be included in Account 32, "Power distribution systems."

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

NOTE C: The cost of shop buildings devoted solely to the maintenance of way and structures shall be included in Account 17, "Roadway buildings."

§ 103.21 *Grain elevators.* This account shall include the cost of structures for the transfer, treatment, and storage of grain, including cost of conveyors, machinery, and fixtures.

The buildings referred to in this account are not small storage elevators at stations where grain is received for shipment, etc., but large elevators in which grain is stored for various owners.

NOTE A: Small storage elevators at way stations are classed as station buildings.

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

§ 103.22 *Storage warehouses.* This account shall include the cost of storage warehouses, including machinery and fixtures therein.

The buildings herein referred to are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but warehouses in which merchandise is stored and which the railway companies or others operate commercially as storage warehouses.

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

§ 103.23 *Wharves and docks.* This account shall include the cost of wharves, docks, dry docks, slips, float bridges, and other landings for vessels, including the cost of necessary dredging and the cost of float-bridge machinery; also the cost of piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of wharves and docks.

DETAILS OF WHARVES AND DOCKS

(See general instructions, § 103.02–13)

Bridge pontoons.
Bulkheads.
Caissons.
Cribwork.
Dry docks.
Ferry-bridge machinery.
Ferry bridges.
Ferry racks.
Ferry slips.
Jetties.
Jetty inclines.
Transfer-bridge machinery.
Transfer bridges.

NOTE A: The cost of coal and ore wharves and docks shall be included in Account 24, "Coal and ore wharves."

NOTE B: The cost of the land on which wharves are built and cost of riparian or water rights for wharves and docks shall be charged to Account 2, "Land for transportation purposes."

NOTE C: The cost of buildings located on wharves shall be included in the accounts appropriate for the class of building.

NOTE D: The cost of grading and preparing grounds both before and after the construction of wharves (other than coal and ore wharves) and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

§ 103.24 *Coal and ore wharves.* This account shall include the cost of wharves and docks for the transfer, treatment, blending, or storage of coal or ore, including the cost of necessary dredging

and of conveyors, machinery, and fixtures.

NOTE A: The structures referred to in this account do not include small transfer or storage trestles or wharves at stations where coal is stored or delivered, such trestles being classed as station buildings.

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

§ 103.25 *Gas producing plants.* This account shall include the cost of gas producing and gas compressing plants, and the cost of machinery and other apparatus in such plants.

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

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

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT

(See general instructions, § 103.02–13)

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

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT

(See general instructions, § 103.02–13)

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

§ 103.27 *Signals and interlockers.* This account shall include the cost of interlocking and other signal apparatus for governing the movement of trains, including towers and other buildings in connection therewith.

DETAILS OF SIGNALS AND INTERLOCKERS

(See general instructions, § 103.02–13)

Air compressors.
Batteries.
Boilers.
Distant signals.
Dynamos.
Engines, stationary.
Gates at crossings of other railways.
Home signals.
Interlocker buildings.
Interlocker machinery.
Interlocker mechanism.
Levers.
Rail bonds.
Railway-crossing signals.
Relays.
Semaphores.
Signal and switch levers.
Signal arms.
Signal blades.
Signal bridges.
Signal buildings.
Signal lamp brackets and connections.
Signal lamps.
Signal machinery.
Signal poles and foundations.
Signal pulleys and foundations.
Special appliances.
Station signals.
Train-order signals.
Wiring.

NOTE A: When signal or interlocking apparatus is located in a station building, the entire cost of the building shall be included in Account 16, "Station and office buildings."

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

§ 103.28 *Power dams, canals, and pipe lines.* This account shall include the cost of all dams, canals, pipe lines, and accessories devoted to the utilization of water power for the operation of trains and cars, and to furnish power, heat, and light for general purposes.

DETAILS OF DAMS, CANALS, AND PIPE LINES

(See general instructions, § 103.02–13)

Aqueducts.
Bridges.
Fences.
Footbridges.
Forebays.
Gates.
Grids.
Inlet valves.
Penstocks.
Reservoirs.
Roadways.
Sluices.
Valves.
Viaducts.
Walls.
Water rights.

§ 103.29 *Power plant buildings.* This account shall include the cost of the buildings of power plants erected to furnish power for the operation of trains and cars, and to furnish power, heat, and light for stations, shops, or general purposes; foundations, except those special to particular machines and other apparatus; drainage, water, and sewer pipes and their connections; fixtures, including wiring for lighting and heating; and miscellaneous furniture and fixtures.

NOTE A: The cost of power plant machinery and other apparatus shall be included in Account 45, "Power plant machinery."

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

§ 103.30 *Power substation buildings.* This account shall include the cost of the buildings of power substations (including storage-battery stations) erected to transform power for the operation of trains and cars, and for heat, light, and general purposes; foundations, except those special to particular machines and other apparatus; drainage, water, and sewer pipes and their connections; fixtures, including wiring, for lighting and heating; and miscellaneous furniture and fixtures.

NOTE A: The cost of substation machinery and other apparatus for transforming or storing power in power substations shall be included in Account 46, "Power substation apparatus."

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

§ 103.31 *Power transmission systems.* This account shall include the cost of high-tension transmission systems, whether overhead, surface or underground, used for transferring power from producing plants to a place where it is transformed for propelling trains and cars, or for power, heat, light, and general purposes.

DETAILS OF POWER TRANSMISSION SYSTEMS

(See general instructions, § 103.02–13)

Cables.
Cut-outs (not at power houses and substations).
Feed wires.
Guard wires.
Insulators and connections.
Span wires.
Switchboards (not at power houses and substations).
Transformers (not at power houses and substations).

NOTE: When the electric current generated or received is changed by means of (a) rotary converters, (b) motor generator sets, or (c) static transformers (substation apparatus), that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When electric current is generated or received and used substan-

tially unchanged in voltage and kind, the line or outside conductor system, including any feeders, trolley wires, booster circuits, and supplementary return, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

§ 103.32 *Power distribution systems.* This account shall include the cost of distribution systems, whether overhead, surface, or underground, for conveying low-tension electric power from producing plants or transformer stations and for conveying steam and compressed-air from producing plants to the place where used for propelling trains and cars, or for power, heat, light, and general purposes.

DETAILS OF POWER DISTRIBUTION SYSTEMS

(See general instructions, § 103.02–13)

Compressed-air pipe lines.
Cut-outs (not at power houses and substations).
Feed wires.
Guard wires.
Insulators and connections.
Overhead trolley wires.
Rail bond plugs.
Rail bonds.
Rail-insulating devices.
Span wires.
Steam pipe lines.
Switchboards (not at power house and substations).
Third rail.
Third-rail braces.
Third-rail insulation and protection.
Third-rail supports.

NOTE A: The cost of track material such as insulated rail splices used in connection with distribution systems shall be charged to Account 10, "Other track material."

NOTE B: The cost of the portions of distribution systems located within shop buildings and station and office buildings shall be included in the cost of the buildings. The cost of distribution systems in plants used exclusively for operating signals and interlockers shall be included in Account 27, "Signals and interlockers."

NOTE C: When the electric current generated or received is changed by means of (a) rotary converters, (b) motor generator sets, or (c) static transformers (substation apparatus), that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including any feeders, trolley wires, booster circuits, and supplementary return, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

§ 103.33 *Power line poles and fixtures.* This account shall include the cost of poles, cross arms, insulating pins, brackets, and other pole fixtures; braces and other supports for holding the poles in position; and structures for supporting the overhead electric construction.

§ 103.34 *Underground conduits.* This account shall include the cost of conduits required for underground wires and cables of electric railway construction, including manholes, sewer connections, sewer traps, and all details necessary for the completion of the conduit system.

§ 103.35 *Miscellaneous structures.* This account shall include the cost of all permanent structures not provided for elsewhere, including all fixtures and furniture to equip them for use.

§ 103.36 *Paving.* This account shall include the cost of paving about tracks in public highways through which the carrier's tracks are laid.

NOTE: The cost of paving upon the carrier's lands, within the grounds of buildings or other structures, shall be included in the accounts provided for the cost of the structures. The cost of paving upon the carrier's right of way at crossing shall be included in Account 15, "Crossings and signs."

§ 103.37 *Roadway machines.* This account shall include the cost of the initial outfit of roadway machines provided for the maintenance of roadway and structures at the time the road is opened for commercial traffic, and the cost of additional roadway machines acquired subsequently.

LIST OF ROADWAY MACHINES

(See general instructions, § 103.02–13)

Boilers, portable.
Cars, hand.
Cars, lever.
Cars, motor inspection.
Cars, push.
Cars, (small), crane, for supply yards and general use.
Concrete mixers.
Ditching machines.
Dredging machines.
Engines, portable.
Grading outfits.
Hydraulic outfits.
Jacks, hydraulic.
Log loaders.
Pile drivers.
Plows, unloading.
Rail unloaders.
Rock crushers.
Steam rollers.
Timber trucks.
Velocipedes.

NOTE A: When an important addition and betterment project or the construction of a new line necessitates the purchase of roadway machines to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged. The amount realized from any subsequent sale, or the appraised value of the machines retained after the completion of the special work for which they were purchased, shall be credited to the accounts charged with the cost thereof. The appraised value of such machines retained shall be debited to this account and thereafter considered as the cost of such property.

NOTE B: The cost of machines for the equipment of roadway shops shall be included in Account 17, "Roadway buildings," as provided for therein.

NOTE C: The cost of roadway machines, such as pile drivers, log loaders, hoist engines, and concrete mixers, when permanently mounted for movement on the carrier's tracks, shall be included in Account 57, "Work equipment."

§ 103.38 *Roadway small tools.* This account shall include the cost of the initial outfit of roadway and track small tools provided for the maintenance of way and structures at the time the road is opened for commercial traffic; also the initial outfit of such tools provided for the maintenance of extensions of such road.

LIST OF ROADWAY TOOLS

(See general instructions, § 103.02–13)

Adzes.
Anvils.
Augers.
Axes.
Ballast forks.
Bars, claw.
Bars, crow.
Bars, lining.
Bars, pinch.
Bars, raising.
Bars, tamping.
Braces and bits.
Brooms.
Brush hooks.
Cable stretchers.
Cables.
Cans, oil.
Cans, water.
Cant hooks.
Chains.
Chisels, track.
Chisels, wood.
Curbing hooks.
Dippers.
Drawing knives.
Drill bits.
Drills, portable.
Flags, signal.
Furnaces, portable.
Grindstones.
Hammers, napping.
Hammers, paving.
Hammers, spiking.
Handles for tools.
Hatchets.
Hoes.
Jack levers.
Jacks, ratchet.
Jacks, screw.
Jacks, track.
Kegs, water.
Ladders.
Lanterns and fixtures.
Lawn mowers.
Levels.
Lines for ditching.
Nippers.
Oilstones.
Padlocks.
Pails, water.
Paint brushes.
Picks, clay.
Picks, tamping.
Pike poles.
Post-hole diggers.
Post-hole tampers.
Punches.
Rail benders.
Rail tongs.
Rakes.
Rope.
Saws, crosscut.
Saws, hand.
Scrap boxes.
Scythes.
Shovels.
Sickles.
Sledges.
Spades.
Spike mauls.
Spike pullers.
Spot boards.
Squares.
Straightening machines.
Tape lines.
Thermometers for laying rail.
Tongs.
Tool boxes.
Torches.
Track gauges.
Track levels.
Vises.
Weed spuds.
Wheelbarrows.
Whetstones.
Wood mallets.
Wrenches, monkey.
Wrenches, track.

NOTE: The cost of roadway and track small tools of which no specific record is kept shall be charged when acquired to an appropriate materials and supplies account, from which they shall be charged as issued to the appropriate road and equipment, operating expense, or other accounts. When such tools are used both for construction and maintenance work the cost shall be equitably apportioned among the accounts provided for the two classes of work.

§ 103.39 *Assessments for public improvements.* This account shall include the carrier's proportion of the cost of constructing public improvements—such as grading, sewering, curbing, guttering, paving, and sidewalks—and other public improvements, including the cost of such improvements if made by the carrier's own employees under Government requirements.

NOTE A: The cost of paving required by Government authority between rails and adjacent to tracks laid through public highways shall be included in Account 36, "Paving."

NOTE B: The carrier's proportion of the cost of maintaining such public improvements shall be included in operating expenses.

§ 103.40 *Revenues and operating expenses during construction.* This account shall include the cost of operating a piece of road during the period before the regular operation of revenue trains, including rent and repairs of equipment used in commercial service during such

period. It includes the cost of running construction trains over such section of road when the cost of operating such trains can not properly be charged to any specific account.

To this account shall be credited amounts collected for rents of buildings and other properties and for the transportation of commercial freight or of passengers on construction trains; also the net profits from boarding and commissarial outfits, and other sources of operating revenue.

Carriers which wish to subdivide this account shall use appropriate subaccounts corresponding to accounts prescribed in the operating revenue, operating expense, or income account classifications.

§ 103.41 *Cost of road purchased.* This account shall include the cash cost of any road or portion thereof purchased. Where the contract of purchase includes not only road, but also equipment, securities, and other assets, the appraised value of such equipment, securities, and other assets shall be deducted from the total cash cost, and the remainder of the cash cost shall be charged to this account. Where the consideration given for the property purchased is other than cash, such consideration shall be valued on a current cash basis. If the consideration includes the assumption of liabilities, such liabilities shall be included in the determination of the cost at their cash value at the time the contract is made.

This account shall be used only as a clearing account in which temporarily to carry the cost of road purchased until such time as a plan for distributing such cost to the primary accounts appropriate for the property is approved by the Commission.

NOTE A: The appraised value of any equipment thus acquired shall be charged to the appropriate equipment accounts. The value, at time of purchase, of any securities, or other assets acquired, shall be included in the accounts appropriate for such assets. The par value of any liabilities assumed shall be included in the appropriate liability accounts, and the necessary adjustments between the cash value charged to the property accounts and the par value shall be made in the appropriate premium or discount account.

NOTE B: The carrier shall be prepared to furnish the Commission, upon demand, a full report of the contract of acquisition of each road, or portion thereof, purchased, and a statement showing in detail the consideration given therefor. It should procure, in connection with the acquisition of any such road and equipment, all existing records, memoranda, and accounts in possession or control of the grantor, relating to the construction and improvements of such road and equipment, and shall preserve such records, memoranda, and accounts until authorized by law to destroy or otherwise dispose of them. Where the records, memoranda, and accounts are so intimately involved with other records, memoranda, and accounts of the grantor as to make their transfer impracticable or inadvisable, certified copies of them shall be procured and retained by the grantee. The verity of the copies should be certified by the custodian of the originals.

§ 103.42 *Reconstruction of road purchased.* When a road is purchased and the fixed improvements acquired are in such a physical condition that it is necessary substantially to rebuild the road in order to bring it up to the standard required by the carrier, the cost of such rebuilding shall be charged to this account

NOTE A: A comprehensive statement of the estimated amount necessary to reconstruct a road in accordance with the above provision shall be made to the Commission as soon as the estimate is made.

NOTE B: When the work of reconstruction of road purchased is completed, the cost thereof shall be credited to this account and charged to other primary accounts of this classification appropriate for the expenditures made.

§ 103.43 *Other expenditures — road.* This account shall include items which cannot properly be included in any of the foregoing accounts as a part of the cost of any specific work, such as the cost of transportation of men, materials, supplies, and equipment over the carrier's own line; amounts paid for rent and repairs of equipment and for injuries to persons incident to and in connection with original road, road extensions, or additions and betterments; and analogous items. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditure occurs.

NOTE: Rents paid for and repairs made to equipment used in commercial operations during the period before the regular operation of revenue trains shall be charged to Account 40, "Revenues and operating expenses during construction."

§ 103.44 *Shop machinery.* This account shall include the cost of machinery and other apparatus in shops and enginehouses, including the cost of special foundations and installation, and cost of small hand tools necessary first to equip a shop.

LIST OF SHOP MACHINERY

(See general instructions, § 103.02–13)

Air compressors.
Ash conveyers.
Belting.
Blowers.
Boilers for furnishing power.
Boring machines.
Cars, motor.
Cars, push.
Cranes.
Drill presses.
Drilling machines.
Drop tables.
Forges.
Framing machines.
Furnaces.
Grinding and polishing machines.
Hoists.
Hydraulic jacks.
Lathes.
Lifting magnets.
Metal chimneys.
Milling machines.
Motors.
Pipe cutting and threading machines.
Planers.
Pneumatic hammers.
Power equipment.
Punches.
Riveters.
Saws.
Shafting.
Shapers.
Slotters.
Stationary engines.
Steam hammers.
Vises.
Welding machines.
Woodworking machines.

NOTE A: The cost of power plant machinery and other apparatus for shop purposes, when located in distinct buildings, shall be included in Account 45, "Power plant machinery."

NOTE B: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

§ 103.45 *Power plant machinery.* This account shall include the cost of machinery and other apparatus for generating power in power plants used for the operation of trains and cars, or to furnish power, heat, and light for stations, shops, or general purposes, including the cost of special foundations and installation.

DETAILS OF POWER PLANT MACHINERY

(See general instructions, § 103.02–13)

Ammeters.
Batteries.
Belting.
Boiler-room appliances and tools.
Boilers and fittings.
Boosters.
Cables.
Circuit breakers.
Clutches.
Conductors.
Cranes.
Cut-outs.
Draft machinery.
Dynamos.
Economizers.
Electric-power distribution systems, interior.
Engine-room appliances and tools.
Feed-water heaters.
Furnaces.
Generators.
Globes.
Hangers.
Heating apparatus.
Hoists.
Insulators.
Lamps.
Lighting apparatus.
Lubricating devices.
Machinery and foundations.
Mechanical stokers.
Piping.
Poles.
Pumps.
Purifiers.
Rheostats.
Sewer connections.
Shafting.
Stationary engines.
Steam distribution systems.
Steam fittings.
Switchboards.
Tanks.
Transformers.
Turbines.
Voltmeters.
Water meters.
Water wheels.
Wires from generator or transformers to switchboard.

NOTE A: The cost of power machinery and other apparatus installed in a shop as part of the shop equipment shall be included in Account 44, "Shop machinery."

NOTE B: The cost of power machinery and other apparatus installed in stations and offices and used solely for station and office purposes shall be included in Account 16, "Station and office buildings."

NOTE C: The cost of power machinery and other apparatus in plants used solely for operating signals and interlockers shall be included in Account 27, "Signals and interlockers."

NOTE D: The cost of foundations other than those special to particular machines and

other apparatus shall be included in the cost of the building, and not in this account.

§ 103.46 *Power substation apparatus.* This account shall include the cost of machinery and other apparatus, including the cost of special foundations and installation, for transforming or storing power in power substations used for the operation of trains and cars, and for power, heat, and light for stations, shops, or general purposes.

DETAILS OF POWER SUBSTATION APPARATUS

(See general instructions, § 103.02–13)

Rotary converters.
Storage batteries.
Switchboards.
Transformers.

NOTE A: The cost of constructing machinery and other apparatus for transforming or storing power shall be included in Account 45, "Power plant machinery," when such equipment is contained in a power plant.

NOTE B: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

§ 103.47 *Unapplied construction material and supplies.* This account shall include the cost of material and supplies located at the point of use which have been purchased for projected new roads and road extensions.

The purpose of this account is to exclude from the current assets the cost of supplies and unapplied material which are located for use on projected new roads and road extensions, under the condition that the material will not be used for other purposes.

NOTE A: Material and supplies designed for projected new roads and road extensions which are carried in storehouses and store yards and included in the general stock of an operating company shall be included in Balance-sheet account 716, "Materials and supplies."

NOTE B: The cost of unapplied materials and supplies on hand at the completion of construction work shall be transferred to Balance-sheet account 716, "Materials and supplies."

EQUIPMENT

The several primary accounts included in this general account are designed to show the cost of the several classes of equipment owned by the carrier, or held under equipment trust agreements for purchase.

To the appropriate primary accounts in this general account shall be charged the cost of all equipment, such as steam locomotives, electric locomotives, passenger-train cars, freight-train cars, work equipment, floating equipment, and the necessary appurtenances, furniture, and fixtures first to equip for service, including the cost of inspection, setting up, and trying out, and transportation over foreign lines; also the cost of additions, such as headlights, mechanical stokers, power brakes, vestibules, machinery for self-propulsion, heating and lighting apparatus, and the like; and the excess cost of betterments, such as improved appliances, parts, or appurtenances, over the cost at current prices (as new) of the appliances, parts, or appurtenances removed. The cost of removing the old appliances and applying the improved shall be charged to Operating Expenses.

The ledger value of each unit of equipment shall be credited to the appropriate equipment account when it is retired from service. The amount of this credit shall be concurrently charged as follows:

The amount of the balance in the balance-sheet accrued depreciation account with respect to the equipment thus retired shall be charged to that account; the salvage recovered shall be charged to the materials and supplies account or elsewhere, according to the purpose for which used; the amount of depreciation prior to July 1, 1907, not previously written off or provided for, shall be charged to Profit and Loss; and the remainder shall be charged to the appropriate operating expense account for equipment retired. The cost of demolishing the equipment, if demolished by or for the carrier, shall be charged to the appropriate operating expense account for equipment retirements.

When the cost of the renewals to be made to any unit of equipment will constitute the major portion of its value as renewed, the equipment, when taken out of service, shall be considered as retired and accounted for as provided in the preceding paragraph, and for the purpose of this classification the renewed equipment shall be considered an addition and the appraised cost thereof shall be included in the account appropriate for the cost of the equipment. In no case shall the charge for the renewed equipment exceed the cost (the current market prices of labor and material) of new equipment of similar type, equal capacity, and equal expectation of life in service, less a suitable allowance on account of the secondhand parts remaining therein.

When equipment of one class is converted so as to be includible in another class, the accounting shall be as provided in general instructions, section 11.

When an important addition and betterment project or the construction of new lines necessitates the purchase of equipment to be used exclusively therein, the cost of such equipment shall be included in the accounts representing the cost of the work, and no charge shall be made to Operating Expenses for depreciation on such equipment while the cost remains so charged. The amount realized from any subsequent sale, or the appraised value of the equipment retained after the completion of the special work for which it was purchased, shall be credited to the accounts charged with its cost. The appraised value of such equipment retained shall be debited to the appropriate primary account herein, and thereafter, for the purposes of accounting, such appraised value shall be considered as the cost of the equipment.

When secondhand equipment acquired is in such physical condition that it is necessary to make extensive repairs to it to bring it up to the standard required by the carrier, the cost of such repairs shall be included in the account appropriate for the cost of the equipment. A comprehensive statement of the amount estimated to be necessary to rebuild secondhand equipment in accordance with the above provision shall be furnished to the Commission as soon as the estimate is made.

§ 103.51 *Steam locomotives.* This account shall include the cost of steam locomotives and tenders, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including the cost of inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

LIST OF APPURTENANCES TO LOCOMOTIVES

(See general instructions, § 103.02–13)

Air-brake equipment and hose.
Arm rests.
Awnings.
Brake fixtures.
Cab cushions.
Cab lamps.
Clocks.
Coal boards.
Fire-extinguishing apparatus.
Gongs.
Head lamps.
Metallic packing.
Pneumatic sanding equipment.
Seat boxes.
Signal lamps.
Speed recorders.
Steam-gauge lamps.
Steam-heat equipment and hose.
Storm doors.
Tool boxes.
Train-signal equipment and hose.

§ 103.52 *Other locomotives.* This account shall include the cost of locomotives other than steam, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

NOTE: Cars with motor equipment are not to be classed as locomotives.

§ 103.53 *Freight-train cars.* This account shall include the cost of freight-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and the cost of inspection and transportation charges to the carrier's line.

LIST OF FREIGHT-TRAIN CARS

(See general instructions, § 103.02–13)

Ballast (commercial).
Beer.
Box.
Cabin.
Caboose.
Charcoal.
Coal.
Coke.
Dump (commercial).
Flat.
Fruit.
Furniture.
Gondola.
Gondola (hopper).
Gondola (long).
Gun truck.
Hay.
Lime.
Logging.
Oil tank.
Ore.
Platform.
Poling.
Poultry.
Produce.
Rack.
Refrigerator.
Stock.
Tank and water (when used as commercial cars).

LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS

(See general instructions, § 103.02–13)

Air-brake equipment, including hose.
Cooking equipment and utensils.
Cushions.
Heating equipment.
Ice boxes.
Lamps and fixtures.
Seats.
Speed recorders.
Train-signal equipment, including hose.
Water tanks.

NOTE: The cost of motor equipment of cars shall be included in Account 55, "Motor equipment of cars."

§ 103.54 *Passenger-train cars.* This account shall include the cost of passenger-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF PASSENGER-TRAIN CARS

(See general instructions, § 103.02–13)

Baggage.
Baggage-express.
Baggage-mail.
Baggage-mail-express.
Buffet.
Café.
Chair.
Club.
Colonist.
Dining.
Express.
Immigrant.
Library.
Mail.
Milk.
Observation.
Parlor.
Parlor-baggage.
Passenger.
Passenger-baggage.
Passenger-baggage-mail.
Postal.
Refrigerator-express.
Sleeping.
Smoking.
Tourist.

LIST OF APPURTENANCES TO PASSENGER-TRAIN CARS

(See general instructions, § 103.02–13)

Air-brake equipment, including hose.
Bedding.
Chairs.
Coat hooks.
Curtains and fixtures.
Cushions.
Electric bells.
Floor coverings.
Heating equipment.
Ice boxes.
Ice tanks.
Kitchen equipment and utensils.
Lighting equipment.
Mail catchers.
Parcel racks.
Ranges and boilers.
Seats.
Speed recorders.
Steam-heat hose.
Table china.
Table glassware.
Table linen.
Table silver.
Toilet equipment.
Train-signal equipment, including hose.
Water tanks.

NOTE: The cost of motor equipment of cars shall be included in Account 55, "Motor equipment of cars."

§ 103.55 *Motor equipment of cars.* This account shall include the cost of motor equipment of all cars, including the wiring for such electric equipment.

DETAILS OF MOTOR EQUIPMENT

(See general instructions, § 103.02–13)

Batteries, storage.
Circuit breakers.
Controllers.
Engines, internal-combustion.
Generators.
Lightning arresters.
Motors.
Overload switches.
Rheostats.
Switches.
Third-rail contact.
Trolley poles.
Trolleys.

§ 103.56 *Floating equipment.* This account shall include the cost of marine or floating equipment, of all kinds except work equipment, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF FLOATING EQUIPMENT

(See general instructions, § 103.02–13)

Barges.
Canal boats.
Car and other floats.
Ferryboats.
Lighters.
Power launches.
Power lighters.
Scows.
Steamboats.
Steamships.
Transfer boats.
Tugboats.

LIST OF APPURTENANCES TO FLOATING EQUIPMENT

(See general instructions, § 103.02–13)

Anchors.
Axes.
Barometers.
Beds and bedding.
Binnacle lamps.
Blocks and tackle.
Boilers and foundations.
Cables.
Capstan bars.
Carpets.
Charts.
China, crockery, and glassware.
Chronometers.
Clocks.
Compasses.
Counters.
Desks.
Engines and foundations.
Fire buckets.
Fire extinguishers.
Floor coverings.
Flue cleaners.
Furniture.
Gangplanks.
Hatchets.
Heating equipment.
Hoisting equipment.
Hooks.
Keys.
Kitchen equipment.
Life preservers.
Lighting equipment.
Linen.
Lines.
Logs.
Machinery and foundations.
Masts.
Oil cans.
Pianos and other musical instruments.
Pumps.
Racks.
Railings.
Rakes.
Rigging.
Safes.
Sails.
Scales.
Seats, chairs, and cushions.
Shovels.
Slice bars and pokers.
Spyglasses.
Steam distribution systems.
Steering equipment.
Telescopes.
Ticket cases.
Tool boxes.
Tools, miscellaneous.
Tracks on car floats.
Ventilating equipment.
Wrenches.

§ 103.57 *Work equipment.* This account shall include the cost of work equipment, including motor-driven equipment, purchased or built by the carrier; cost of appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF RAIL WORK EQUIPMENT

(See general instructions, § 103.02–13)

Air-brake instruction cars.
Ballast cars.
Ballast unloader cars.
Boarding cars.
Bridge cars.
Business cars.
Camp cars.
Cinder cars.
Concrete mixers (mounted).
Derrick cars.
Dirt spreaders (mounted).
Ditching cars.
Dump cars.
Dynamometer cars.
Gas tank cars.
Grading cars.
Gravel cars.
Indicator cars.
Locomotive tanks used permanently as water cars.
Locomotives.
Officers' cars.
Outfit cars.
Painters' cars.
Pay cars.
Pile drivers (mounted).
Rail saws (mounted).
Salt cars.
Sanding cars.
Scale test cars.
Scraper cars.
Snow dozers.
Snow drags.
Snow plows (moved by but not attached to locomotives).
Sprinkling cars.
Steam shovels.
Steam wrecking derricks.
Supply cars.
Sweeper cars.
Tool cars.
Tool and block cars.
Water cars.
Weed burners (mounted).
Wrecking cars.

LIST OF FLOATING WORK EQUIPMENT

(See general instructions, § 103.02–13)

Derricks.
Dredges.
Pile drivers.

APPURTENANCES TO FLOATING WORK EQUIPMENT

(See general instructions, § 103.02–13)

Anchors.
Axes.
Barometers.
Beds and bedding.
Blocks and tackle.
Boilers and foundations.
Cables.
China, crockery, and glassware.
Compasses.
Cushions.
Desks.
Engines and foundations.
Fire extinguishers.
Fire buckets.
Floor coverings.
Flue cleaners.
Gangplanks.

Hatchets.
Heating equipment.
Hoisting equipment.
Hooks.
Keys.
Life preservers.
Lighting equipment.
Linen.
Lines.
Machinery and foundations.
Masts.
Oil cans.
Pumps.
Rakes.
Rigging.
Sails.
Seats and chairs.
Shovels.
Slice bars and pokers.
Steam distribution systems.
Steering equipment.
Tool boxes.
Tools, miscellaneous.
Wrenches.

NOTE: The cost of motor equipment of cars shall be included in Account 55, "Motor equipment of cars."

§ 103.58 *Miscellaneous equipment.* This account shall include the cost of horses and harness; and cost of wagons, automobiles, and other highway vehicles.

GENERAL EXPENDITURES

NOTE: The primary accounts of this general account are designed to include expenditures made in connection with the acquisition and construction of original road and equipment, and with extensions, additions, and betterments to road and equipment property, when such expenditures can not properly be included in any of the foregoing accounts as a part of the cost of any specific work. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditures occur.

§ 103.71 *Organization expenses.* This account shall include all fees paid to governments for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; cost of soliciting subscriptions for stock; cash fees paid to promoters, and the actual cash value (at the time of the organization) of securities paid to promoters for their services in organizing the enterprise; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from State authorities; and other like costs.

NOTE: Cost of soliciting for loans or for the sale of bonds or other evidences of indebtedness shall be charged to Balance-sheet Account 725, "Discount on funded debt."

§ 103.72 *General officers and clerks.* This account shall include the pay and expenses of executive and general officers and of general office clerks engaged exclusively in connection with the construction of new road and extensions.

NOTE: The salaries and expenses of executive and general officers and of general office clerks engaged in connection with the conduct of commercial operations during the period before the regular operation of revenue trains shall be included in Account 40, "Revenues and operating expenses during construction."

§ 103.73 *Law.* This account shall include specific and distinct expenditures, not provided for elsewhere, for law service in connection with the acquisition of new road, road extensions, additions, and betterments, such as pay and expenses of counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices.

ITEMS OF EXPENSE

(See general instructions, § 103.02–13)

Arbitrators' services in settlement of disputed questions.
Cost of taking depositions.
Cost of testimony.
Costs of suits.
Court bonds.
Court expenses.
Express charges.
Fees and retainers of attorneys not regularly employed.
Law books.
Legal forms.
Legal reports.
Notarial fees not provided for elsewhere.
Office expenses.
Printing of briefs, testimony, etc.
Rent of offices.
Special fees.
Telegraph service.
Telephone service.
Traveling expenses.
Witness fees not provided for elsewhere.

NOTE: Court costs and special counsel fees in connection with the acquisition of land for transportation operations shall be included in Account 2, "Land for transportation purposes."

§ 103.74 *Stationery and printing.* This account shall include the cost of stationery, stationery supplies, postage, office devices, and printed matter used by any class of employees in connection with construction and not provided for elsewhere.

ITEMS OF STATIONERY AND PRINTING

(See general instructions, § 103.02–13)

Adding machines.
Addressographs and supplies.
Arm rests.
Binders.
Blank books.
Blotters.
Blotting paper.
Bristol board.
Calculating machines.
Calendars.
Carbon paper.
Cardboard.
Cards, blank and printed.
Circulars.
Computing tables.
Copy (impression) books.
Copying brushes.
Copying presses.
Crayons.
Cross-section books.
Cross-section paper.
Cyclostyles.
Dating stamps and ribbons.
Dictaphones.
Dictographs.
Drawing paper.
Duplicators.
Electric pens.
Envelopes.
Erasers, rubber and steel.
Eyelet punches.
Eyelets.
File boxes.
Forms, blank and printed.
Fuel tickets.
Glass pens.
Hectographs.
Indexes.
Ink for writing and drawing.
Inkstands.
Invoice books.
Legal cap paper.
Letter paper.
Manifold paper.
Manifold pens.
Mimeographs.
Mucilage.
Mucilage brushes.
Neostyles.
Note paper.
Notices.
Numbering stamps.
Oil paper.
Paper.
Paper baskets.
Paper clips.
Paper cutters.
Paper fasteners.
Paper files.
Paper weights.
Papyrographs.
Parchment paper.
Pencil sharpeners.
Pencils for writing and drawing.
Penholders.
Penracks.
Pens for writing and drawing.
Phonographs and records.
Pins.
Postage.
Punches (not conductors' or baggagemen's).
Rubber bands.
Rubber stamps.
Rulers.
Ruling pens.
Scrapbooks.
Sealing wax.
Seals.
Shears.
Shipping tags.
Shorthand notebooks.
Sponge cups.
Sponges.
Stamps, impression.
Stylographs.
Tablets, blank and printed.
Tape.
Telegraph blanks.
Time-tables.
Tissue (impression) paper.
Tracing cloth.
Tracing paper.
Twine.
Typewriters and ribbons.
Wage tables.
Wastebaskets.
Watercolors.
Water holders.
Waybills.
Wrapping paper.
Wringers for copying presses.

NOTE A: The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in Balance-sheet account 725, "Discount on funded debt."

NOTE B: The cost of stationery and printing, when assignable, shall be included in the cost of the property in connection with the acquirement or construction of which the expenditure occurs.

§ 103.75 *Taxes.* This account shall include State, county, township, city, school, road, annual franchise, and all other taxes and assessments levied and paid on property belonging to the carrier during construction and before the facilities are used for commercial operations, except special assessments for street and other improvements chargeable to Account 36, "Paving," or 39, "Assessments for public improvements."

NOTE: Taxes during construction, when assignable, shall be included in the cost of the property acquired or constructed.

§ 103.76 *Interest during construction.* When any bonds, notes, or other evidences of indebtedness are sold, or any interest-bearing debt is incurred for acquisition and construction of original road and equipment, extensions, additions, and betterments, the interest ac-

cruing on the part of the debt representing the cost of property chargeable to road and equipment accounts (less interest, if any, allowed by depositaries on unexpended balances) after such funds become available for use and before the receipt or the completion or coming into service of the property so acquired shall be charged to this account.

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

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

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

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

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

NOTE C: For definition of securities actually issued, see Note B, under General balance-sheet Account 755, "Funded debt unmatured."

NOTE D: Whenever interest, premium, or discount assignable to the construction period is incurred in connection with an expenditure covered by some specific road and equipment account or accounts, such interest, premium, or discount shall be charged directly to the specific accounts to which it is related.

§ 103.77 *Other expenditures—general.* This account shall include all expenditures of a special and incidental nature in connection with the acquisition and construction of original road and equipment, road extensions, additions, and betterments which can not properly be included in any other account in this classification.

PART 104—APPLICATION OF UNIFORM SYSTEM OF ACCOUNTS TO CLASS C AND CLASS D PUBLIC UTILITIES AND LICENSEES

Sec.

104.1 Application of uniform system of accounts to Class C and Class D public utilities and licensees.
104.2 Balance sheet accounts for utilities other than municipal licensees.
104.3 Balance sheet accounts for municipal licensees.
104.4 Electric plant accounts for all utilities.
104.5 Earned surplus account for utilities other than municipal licensees.
104.6 Earned surplus account for municipal licensees.
104.7 Income accounts for all utilities.
104.8 Operating revenue accounts for all utilities.
104.9 Operating expense accounts for all utilities.
104.10 Clearing accounts for utilities other than municipal licensees.
104.11 Clearing accounts for municipal licensees.

AUTHORITY: §§ 104.1 to 104.11, inclusive, issued under secs. 3 (13), 4 (b), 301, 304 (a), 308, 309, 49 Stat. 839, 854, 855, 858; 16 U. S. C., 796 (13), 797 (b), 825 (a), (b), 825c (a), 825g, 825h.

§ 104.1 *Application of uniform system of accounts to Class C and Class D public utilities and licensees.* This part is designed to show the accounts required to be kept by Class C and Class D Public Utilities and Licensees. The accounts required to be kept by each class of public utilities and licensees are shown in comparative form in order clearly to designate and identify the accounts required to be kept by the Class C and Class D utilities. Class C and Class D utilities are defined as follows:

Class C: Utilities having annual electric operating revenues of more than $100,000 but not more than $250,000.

Class D: Utilities having annual electric operating revenues of more than $25,000 but not more than $100,000.

Each Class C utility shall keep all of the accounts listed in this part, insofar as applicable, that contain, as a part of the title, the four digit numbers beginning with the figure 1 (For example, account 1100, Electric Plant).

Each Class D utility shall keep all of the accounts listed in this part, insofar as applicable, that contain, as a part of the title, the four digit numbers beginning with the figure 2 (For example, account 2100, Electric Plant).

Any Class C or Class D utility may at its option keep the accounts prescribed for Class A or Class B utilities, or any Class D utility may keep the accounts prescribed for Class C utilities.

The Uniform System of Accounts, approved June 16, 1936, is applicable in principle to all licensees subject to the Commission's accounting requirements under the Federal Power Act and to all public utilities as defined in that act. Many of the accounts that are required to be kept by Class A and Class B utilities, however, have been grouped or combined in order that the accounting system prescribed for the smaller Class C and Class D utilities may conform more nearly to the nature and volume of their transactions. The definitions and all instructions contained in the main body of the Uniform System of Accounts, apply in principal to Class C and Class D public utilities. References in said definitions and instructions to accounts which have been combined herein shall apply in principle to the combined account. The texts and lists of items appearing under the accounts prescribed for Class A and Class B utilities shall apply in detail to the accounts prescribed herein for Class C and Class D utilities.

§ 104.2 *Balance sheet accounts for utilities other than municipal licensees.*

Account		Accounts for Class C and Class D Utilities (excluding municipal licensees)	Account A and B Nos.	Accounts for Class A and Class B Utilities (excluding municipal licensees)
D Nos.	C Nos.			
		ASSETS AND OTHER DEBITS		ASSETS AND OTHER DEBITS
		Utility plan'		*Utility plant*
2100	1100	Electric plant:	100	Electric plant:
2100.1	1100.1	Electric plant in service, leased to others, and held for future use.	100.1 100.2 100.4	100.1 Electric plant in service. 100.2 Electric plant leased to others. 100.4 Electric plant held for future use.
2100.3	1100.3	Construction work in progress.	100.3	100.3 Construction work in progress.
2100.5	1100.5	Electric plant acquisition adjustments.	100.5	100.5 Electric plant acquisition adjustments.
2100.6	1100.6	Electric plant in process of reclassification.	100.6	100.6 Electric plant in process of reclassification.
2107	1107	Electric plant adjustments.	107	Electric plant adjustments.
2108	1108	Other utility plant.	108	Other utility plant.
		Investment and fund accounts		*Investment and fund accounts*
2110	1110	Other physical property.	110	Other physical property.
			111	Investments in associated companies:
			111.1	111.1 Investments in securities of associated companies.
			111.2	111.2 Advances to associated companies.
			112	Other investments.
			113	Sinking funds:
2114	1114	Miscellaneous investments and special funds.	114	Miscellaneous special funds:
			114.1	114.1 Depreciation fund.
			114.2	114.2 Amortization fund—Federal.
			114.3	114.3 Miscellaneous special funds.

Account D Nos.	Account C Nos.	Accounts for Class C and Class D Utilities (excluding municipal licensees)	Account A and B Nos.	Accounts for Class A and Class B Utilities (excluding municipal licensees)
		ASSETS AND OTHER DEBITS—continued		ASSETS AND OTHER DEBITS—continued
		Current and accrued assets		*Current and accrued assets*
			120	Cash.
			121	Special deposits:
				121.1 Interest special deposits.
				121.2 Dividend special deposits.
2120	1120	Cash and working funds.		121.3 Miscellaneous special deposits.
			122	Working funds.
2123	1123	Temporary cash investments.	123	Temporary cash investments.
			124	Notes receivable.
2124	1124	Notes and accounts receivable.	125	Accounts receivable:
				125.1 Accounts receivable—customers.
				125.2 Other accounts receivable.
2126	1126	Receivables from associated companies.	126	Receivables from associated companies:
				126.1 Notes receivable from associated companies.
				126.2 Accounts receivable from associated companies.
2131	1131	Materials and supplies.	131	Materials and supplies:
				131.1 Materials and supplies—Electric.
				131.2 Materials and supplies—Other.
2132	1132	Prepayments.	132	Prepayments.
			127	Subscription to capital stock.
			128	Interest and dividends receivable.
2133	1133	Miscellaneous current and accrued assets.	129	Rents receivable.
			130	Accrued utility revenues.
			133	Other current and accrued assets.
		Deferred debits		*Deferred debits*
2140	1140	Unamortized debt discount and expense.	140	Unamortized debt discount and expense.
2141	1141	Extraordinary property losses.	141	Extraordinary property losses.
			142	Preliminary survey and investigation charges.
			143	Clearing accounts.
2146	1146	Miscellaneous deferred debits.	144	Retirement work in progress.
			145	Other work in progress.
			146	Other deferred debits.
		Capital stock discount and expense		*Capital stock discount and expense*
2150	1150	Discount on capital stock.	150	Discount on capital stock.
2151	1151	Capital stock expense.	151	Capital stock expense.
		Reacquired securities		*Reacquired securities*
2152	1152	Reacquired securities.	152	Reacquired capital stock.
			153	Reacquired long-term debt.
		LIABILITIES AND OTHER CREDITS		LIABILITIES AND OTHER CREDITS
		Capital stock		*Capital stock*
2200	1200	Common capital stock.	200	Common capital stock.
2201	1201	Preferred capital stock.	201	Preferred capital stock.
2202	1202	Stock liability for conversion.	202	Stock liability for conversion.
2203	1203	Premiums and assessments on capital stock.	203	Premiums and assessments on capital stock.
2204	1204	Capital stock subscribed.	204	Capital stock subscribed.
2205	1205	Installments received on capital stock.	205	Installments received on capital stock.
		Long-term debt		*Long-term debt*
2210	1210	Bonds.	210	Bonds.
2211	1211	Receivers' certificates.	211	Receivers' certificates.
2212	1212	Advances from associated companies.	212	Advances from associated companies:
				212.1 Advances on notes.
				212.2 Advances on open accounts.
2213	1213	Miscellaneous long-term debt.	213	Miscellaneous long-term debt.
		Current and accrued liabilities		*Current and accrued liabilities*
2220	1220	Notes and accounts payable.	220	Notes payable.
			222	Accounts payable.
2221	1221	Notes receivable discounted.	221	Notes receivable discounted.
2223	1223	Payables to associated companies.	223	Payables to associated companies:
				223.1 Notes payable to associated companies.
				223.2 Accounts payable to associated companies.
2224	1224	Dividends declared.	224	Dividends declared.
2225	1225	Matured long-term debt.	225	Matured long-term debt.
2226	1226	Matured interest.	226	Matured interest.
2227	1227	Customers' deposits.	227	Customers' deposits.
2228	1228	Taxes accrued.	228	Taxes accrued.
2229	1229	Interest accrued.	229	Interest accrued:
				229.1 Interest accrued on long-term debt.
				229.2 Interest accrued on other liabilities.
2230	1230	Other current and accrued liabilities.	230	Other current and accrued liabilities.
		Deferred credits		*Deferred credits*
2240	1240	Unamortized premium on debt.	240	Unamortized premium on debt.
2241	1241	Customers' advances for construction.	241	Customers' advances for construction.
2242	1242	Other deferred credits.	242	Other deferred credits.
		Reserves		*Reserves*
2250	1250	Reserve for depreciation of electric plant.	250	Reserve for depreciation of electric plant:
				250.1 Reserve for depreciation of electric plant in service.
				250.2 Reserve for depreciation of electric plant leased to others.
				250.3 Reserve for depreciation of electric plant held for future use.
2251	1251	Reserve for amortization of limited-term electric investments.	251	Reserve for amortization of limited-term electric investments:
				251.1 Reserve for amortization of limited-term electric investments—Electric plant in service.
				251.2 Reserve for amortization of limited-term electric investments—Electric plant leased to others.
				251.3 Reserve for amortization of limited-term electric investments—Electric plant held for future use.
2252	1252	Reserve for amortization of electric plant acquisition adjustments.	252	Reserve for amortization of electric plant acquisition adjustments.
2253	1253	Reserve for depreciation and amortization of other property.	253	Reserve for depreciation and amortization of other property.
2254	1254	Reserve for uncollectible accounts.	254	Reserve for uncollectible accounts:
				254.1 Utility customers.
				254.2 Merchandising, jobbing, and contract work.
				254.3 Associated companies.
				254.4 Officers and employees.
				254.5 Other.

Account D Nos.	Account C Nos.	Accounts for Class C and Class D Utilities (excluding municipal licensees)	Account A and B Nos.	Accounts for Class A and Class B Utilities (excluding municipal licensees)
		LIABILITIES AND OTHER CREDITS—continued		LIABILITIES AND OTHER CREDITS—continued
		Reserves—Continued		*Reserves*—Continued
			255	Insurance reserve.
			256	Injuries and damages reserve.
			257	Employees' provident reserve.
2258	1258	Miscellaneous reserves.	258	Other reserves.
				258.1 Amortization reserve—Federal.
				258.2 Miscellaneous reserves.
		Contributions in aid of construction		*Contributions in aid of construction*
2265	1265	Contributions in aid of construction.	265	Contributions in aid of construction.
		Surplus		*Surplus*
2270	1270	Capital surplus.	270	Capital surplus.
2271	1271	Earned surplus.	271	Earned surplus.

§ 104.3 *Balance sheet accounts for municipal licensees.*

Account D Nos.	Account C Nos.	Accounts for Class C and Class D Municipal Licensees	Account A and B Nos.	Accounts for Class A and Class B Municipal Licensees
		ASSETS AND OTHER DEBITS		ASSETS AND OTHER DEBITS
		Utility plant		*Utility plant*
2100	1100	Electric plant:	100	Electric plant:
2100.1	1100.1	Electric plant in service, leased to others, and held for future use.		100.1 Electric plant in service. 100.2 Electric plant leased to others. 100.4 Electric plant held for future use.
2100.3	1100.3	Construction work in progress.		100.3 Construction work in progress.
2100.5	1100.5	Electric plant acquisition adjustments.		100.5 Electric plant acquisition adjustments.
2100.6	1100.6	Electric plant in process of reclassification.		100.6 Electric plant in process of reclassification.
2107	1107	Electric plant adjustments.	107	Electric plant adjustments.
2108	1108	Other utility plant.	108	Other utility plant.
		Investment and fund accounts		*Investment and fund accounts*
2110	1110	Other physical property.	110	Other physical property.
2111	1111	Advances to municipality.	111	Advances to municipality.
			112	Other investments.
2114	1114	Miscellaneous investments and special funds.	113	Sinking funds.
			114	Miscellaneous special funds.
				114.1 Depreciation fund.
				114.2 Amortization fund—Federal.
				114.3 Miscellaneous special funds.
		Current and accrued assets		*Current and accrued assets*
			120	Cash.
			121	Special deposits.
2120	1120	Cash and working funds.		121.1 Interest special deposits. 121.3 Miscellaneous special deposits.
			122	Working funds.
2123	1123	Temporary cash investments.	123	Temporary cash investments.
			124	Notes receivable.
2124	1124	Notes and accounts receivable.	125	Accounts receivable.
				125.1 Accounts receivable—Customers.
				125.2 Other accounts receivable.
2126	1126	Receivables from municipality.	126	Receivables from municipality.
2131	1131	Materials and supplies.	131	Materials and supplies:
				131.1 Materials and supplies—Electric.
				131.2 Materials and supplies—Other.
2132	1132	Prepayments.	132	Prepayments.
			128	Interest and dividends receivable.
			129	Rents receivable.
2133	1133	Miscellaneous current and accrued assets.	130	Accrued utility revenues.
			133	Other current and accrued assets.
		Deferred debits		*Deferred debits*
2140	1140	Unamortized debt discount and expense.	140	Unamortized debt discount and expense.
2141	1141	Extraordinary property losses.	141	Extraordinary property losses.
			142	Preliminary survey and investigation charges.
			143	Clearing accounts.
2146	1146	Miscellaneous deferred debits.	144	Retirement work in progress.
			145	Other work in progress.
			146	Other deferred debits.
		Reacquired securities		*Reacquired securities*
2153	1153	Reacquired long-term debt.	153	Reacquired long-term debt.
		LIABILITIES AND OTHER CREDITS		LIABILITIES AND OTHER CREDITS
		Investment of municipality		*Investment of municipality*
2200	1200	Investment of municipality.	200	Investment of municipality.
		Long-term debt		*Long-term debt*
2210	1210	Bonds—Electric.	210	Bonds—Electric.
2211	1211	Bonds—Municipality.	211	Bonds—Municipality.
2212	1212	Advances from municipality.	212	Advances from municipality.
2213	1213	Miscellaneous long-term debt.	213	Miscellaneous long-term debt.
		Current and accrued liabilities		*Current and accrued liabilities*
2220	1220	Notes and accounts payable.	220	Notes payable.
			222	Accounts payable.
2221	1221	Notes receivable discounted.	221	Notes receivable discounted.
2223	1223	Payables to municipality.	223	Payables to municipality.
2225	1225	Matured long-term debt.	225	Matured long-term debt.
2226	1226	Matured interest.	226	Matured interest.
2227	1227	Customers' deposits.	227	Customers' deposits.

Account D Nos.	Account C Nos.	Accounts for Class C and Class D Municipal Licensees	Account A and B Nos.	Accounts for Class A and Class B Municipal Licensees
		LIABILITIES AND OTHER CREDITS—continued		LIABILITIES AND OTHER CREDITS—continued
		Current and accrued liabilities—Continued		*Current and accrued liabilities*—Continued
2228	1228	Taxes accrued.	228	Taxes accrued.
2229	1229	Interest accrued.	229	Interest accrued: 229.1 Interest accrued on long-term debt. 229.2 Interest accrued on other liabilities.
2230	1230	Other current and accrued liabilities.	230	Other current and accrued liabilities.
		Deferred credits		*Deferred credits*
2240	1240	Unamortized premium on debt.	240	Unamortized premium on debt.
2241	1241	Customers' advances for construction.	241	Customers' advances for construction.
2242	1242	Other deferred credits.	242	Other deferred credits.
		Reserves		*Reserves*
2250	1250	Reserve for depreciation of electric plant.	250	Reserve for depreciation of electric plant: 250.1 Reserve for depreciation of electric plant in service. 250.2 Reserve for depreciation of electric plant leased to others. 250.3 Reserve for depreciation of electric plant held for future use.
2251	1251	Reserve for amortization of limited-term electric investments.	251	Reserve for amortization of limited-term electric investments: 251.1 Reserve for amortization of limited-term electric investments—electric plant in service. 251.2 Reserve for amortization of limited-term electric investments—electric plant leased to others. 251.3 Reserve for amortization of limited-term electric investments—electric plant held for future use.
2252	1252	Reserve for amortization of electric plant acquisition adjustments.	252	Reserve for amortization of electric plant acquisition adjustments.
2253	1253	Reserve for depreciation and amortization of other property.	253	Reserve for depreciation and amortization of other property.
2254	1254	Reserve for uncollectible accounts.	254	Reserve for uncollectible accounts: 254.1 Utility customers. 254.2 Merchandising, jobbing, and contract work. 254.4 Officers and employees. 254.5 Other.
			255	Insurance reserve.
2258	1258	Miscellaneous reserves.	256	Injuries and damages reserve.
			257	Employees' provident reserve.
			258	Other reserves: 258.1 Amortization reserve—Federal. 258.2 Miscellaneous reserves.
		Contributions in aid of construction		*Contributions in aid of construction*
2265	1265	Contributions in aid of construction.	265	Contributions in aid of construction.
		Surplus		*Surplus*
2271	1271	Earned surplus.	271	Earned surplus.
2272	1272	Constructive surplus or deficit.	272	Constructive surplus or deficit.

§ 104.4 *Electric plant accounts for all utilities.*

ACCOUNTS FOR CLASS D UTILITIES

(Including municipal licensees)

I. INTANGIBLE PLANT

2301. Intangible plant.

II. PRODUCTION PLANT

(a) *Steam production*

2310. Land and land rights.
2311. Structures and improvements.
2312. Steam production plant equipment.

(b) *Hydraulic production*

2320. Land and land rights.
2321. Structures and improvements.
2322. Reservoirs, dams, and waterways.
2323. Hydraulic production plant equipment.
2326. Roads, railroads, and bridges.

(c) *Internal combustion engine production*

2330. Land and land rights.
2331. Structures and improvements.
2332. Internal combustion production plant equipment.

III. TRANSMISSION PLANT

2340. Land and land rights.
2341. Clearing land and rights-of-way.
2342. Structures and improvements.
2343. Station equipment.
2344. Overhead lines.
2347. Underground lines.
2349. Roads and trails.

ACCOUNTS FOR CLASS C UTILITIES

(Including municipal licensees)

I. INTANGIBLE PLANT

1301. Organization.
1302. Franchises and consents.
1303. Miscellaneous intangible plant.

II. PRODUCTION PLANT

(a) *Steam production*

1310. Land and land rights.
1311. Structures and improvements.
1312. Boiler plant equipment.
1313. Engines and generators.
1315. Other power plant equipment.

(b) *Hydraulic production*

1320. Land and land rights.
1321. Structures and improvements.
1322. Reservoirs, dams, and waterways.
1323. Water wheels, turbines, and generators.
1324. Other power plant equipment.
1326. Roads, railroads, and bridges.

(c) *Internal combustion engine production*

1330. Land and land rights.
1331. Structures and improvements.
1332. Fuel holders, producers, and accessories.
1333. Engines and generators.
1335. Other power plant equipment.

III. TRANSMISSION PLANT

1340. Land and land rights.
1341. Clearing land and rights-of-way.
1342. Structures and improvements.
1343. Station equipment.
1344. Poles, towers, and fixtures.
1346. Overhead conductors and devices.
1347. Underground conduit.
1348. Underground conductors and devices.
1349. Roads and trails.

ACCOUNTS FOR CLASS A AND CLASS B UTILITIES

(Including municipal licensees)

I. INTANGIBLE PLANT

301. Organization.
302. Franchises and consents.
303. Miscellaneous intangible plant.

II. PRODUCTION PLANT

(a) *Steam production*

310. Land and land rights.
311. Structures and improvements.
312. Boiler plant equipment.
313. Engines and engine driven generators.
314. Turbo-generator units.
315. Accessory electric equipment.
316. Miscellaneous power plant equipment.

(b) *Hydraulic production*

320. Land and land rights.
321. Structures and improvements.
322. Reservoirs, dams, and waterways.
323. Water wheels, turbines, and generators.
324. Accessory electric equipment.
325. Miscellaneous power plant equipment.
326. Roads, railroads, and bridges.

(c) *Internal combustion engine production*

330. Land and land rights.
331. Structures and improvements.
332. Fuel holders, producers, and accessories.
333. Internal combustion engines.
334. Generators.
335. Accessory electric equipment.
336. Miscellaneous power plant equipment.

III. TRANSMISSION PLANT

340. Land and land rights.
341. Clearing land and rights-of-way.
342. Structures and improvements.
343. Station equipment.
344. Towers and fixtures.
345. Poles and fixtures.
346. Overhead conductors and devices.
347. Underground conduit.
348. Underground conductors and devices.
349. Roads and trails.

ACCOUNTS FOR CLASS D UTILITIES—Continued

(Including municipal licensees)

IV. DISTRIBUTION PLANT

2350. Land and land rights.
2351. Structures and improvements.
2352. Station and storage battery equipment.
2354. Overhead lines.
2356. Underground lines.
2358. Line transformers.
2359. Services.
2360. Meters.
2361. Installations on customers' premises.
2362. Leased property on customers' premises.
2363. Street lighting and signal systems.

V. GENERAL PLANT

2370. Land and land rights.
2371. Structures and improvements.
2372. Office furniture and equipment.
2373. General plant equipment.
2390. Other tangible property.
2391. Electric plant purchased.
2392. Electric plant sold.
2393. Donations in aid of construction—Cr.

ACCOUNTS FOR CLASS C UTILITIES—Continued

(Including municipal licensees)

IV. DISTRIBUTION PLANT

1350. Land and land rights.
1351. Structures and improvements.
1352. Station and storage battery equipment.
1354. Poles, towers, and fixtures.
1355. Overhead conductors and devices.
1356. Underground conduit.
1357. Underground conductors and devices.
1358. Line transformers.
1359. Services.
1360. Meters.
1361. Installations on customers' premises.
1362. Leased property on customers' premises.
1363. Street lighting and signal systems.

V. GENERAL PLANT

1370. Land and land rights.
1371. Structures and improvements.
1372. Office furniture and equipment.
1373. Transportation equipment.
1374. Stores equipment.
1375. Shop equipment.
1376. Laboratory equipment.
1377. Tools and work equipment.
1378. Communication equipment.
1379. Miscellaneous equipment.
1390. Other tangible property.
1391. Electric plant purchased.
1392. Electric plant sold.
1393. Donations in aid of construction—Cr.

ACCOUNTS FOR CLASS A AND CLASS B UTILITIES—Continued

(Including municipal licensees)

IV. DISTRIBUTION PLANT

350. Land and land rights.
351. Structures and improvements.
352. Station equipment.
353. Storage battery equipment.
354. Poles, towers, and fixtures.
355. Overhead conductors and devices.
356. Underground conduit.
357. Underground conductors and devices.
358. Line transformers.
359. Services.
360. Meters.
361. Installations on customers' premises.
362. Leased property on customers' premises.
363. Street lighting and signal systems.

V. GENERAL PLANT

370. Land and land rights.
371. Structures and improvements.
372. Office furniture and equipment.
373. Transportation equipment.
374. Stores equipment.
375. Shop equipment.
376. Laboratory equipment.
377. Tools and work equipment.
378. Communication equipment.
379. Miscellaneous equipment.
390. Other tangible property.
391. Electric plant purchased.
392. Electric plant sold.
393. Donations in aid of construction—Cr.

§ 104.5 *Earned surplus account for utilities other than municipal licensees.*

Account			Accounts for all utilities (excluding municipal licensees)	Account			Accounts for all utilities (excluding municipal licensees)
D Nos.	C Nos.	A and B Nos.		D Nos.	C Nos.	A and B Nos.	
			CREDITS				DEBITS
2271	1271	271	Earned surplus (at beginning of period).	2410	1410	410	Debit balance transferred from income account.
2400	1400	400	Credit balance transferred from income account.	2411	1411	411	Dividend appropriations—Preferred stock.
2401	1401	401	Miscellaneous credits to surplus.	2412	1412	412	Dividend appropriations—Common stock.
			Total credits.	2413	1413	413	Miscellaneous reservations of surplus.
				2414	1414	414	Miscellaneous debits to surplus.
							Total debits.
				2271	1271	271	Earned surplus (at end of period).

§ 104.6 *Earned surplus account for municipal licensees.*

Account			Accounts for municipal licensees	Account			Accounts for municipal licensees
D Nos.	C Nos.	A and B Nos.		D Nos.	C Nos.	A and B Nos.	
			CREDITS				DEBITS
2271	1271	271	Earned surplus (at beginning of period).	2410	1410	410	Debit balance transferred from income account.
2400	1400	400	Credit balance transferred from income account.	2411	1411	411	Authorized cash distributions to the municipality.
2401	1401	401	Miscellaneous credits to surplus.	2413	1413	413	Miscellaneous reservations of surplus.
			Total credits.	2414	1414	414	Miscellaneous debits to surplus.
							Total debits.
				2271	1271	271	Earned surplus (at end of period).

§ 104.7 *Income accounts for all utilities.*

Account		Accounts for Class C and Class D Utilities (excluding municipal licensees)	Account A and B Nos.	Accounts for Class A and Class B Utilities (excluding municipal licensees)
D Nos.	C Nos.			
		UTILITY OPERATING INCOME		UTILITY OPERATING INCOME
		Electric operating income:		Electric operating income:
2501	1501	Operating revenues.	501	Operating revenues.
		Operating revenue deductions:		Operating revenue deductions:
2502	1502	Operating expenses.	502	Operating expenses.
2503	1503	Depreciation.	503	Depreciation.
2504	1504	Amortization of limited-term electric investments.	504	Amortization of limited-term electric investments.
2505	1505	Amortization of electric plant acquisition adjustments.	505	Amortization of electric plant acquisition adjustments.
2506	1506	Property losses chargeable to operations.	506	Property losses chargeable to operations.
2507	1507	Taxes.	507	Taxes.
		Total operating revenue deductions.		Total operating revenue deductions.
		Net operating revenues.		Net operating revenues.
2508	1508	Income from electric plant leased to others.	508	Income from electric plant leased to others.
2508.1	1508.1	Revenues from plant leased to others.	508.1	Revenues from plant leased to others.
2508.2	1508.2	Expenses of plant leased to others.	508.2	Expenses of plant leased to others.
		Income from electric plant leased to others.		Income from electric plant leased to others.
		Electric operating income.		Electric operating income.
2509	1509	Other utility operating income.	509	Other utility operating income.
		Total utility operating income.		Total utility operating income.

Account D Nos.	Account C Nos.	Accounts for Class C and Class D Utilities (excluding municipal licensees)	Account A and B Nos.	Accounts for Class A and Class B Utilities (excluding municipal licensees)
		OTHER INCOME		OTHER INCOME
2520	1520	Income from merchandise, jobbing, and contract work.	520	Income from merchandising, jobbing, and contract work.
2520.1	1520.1	Revenues from merchandising, jobbing, and contract work.	520.1	Revenues from merchandising, jobbing, and contract work.
2520.2	1520.2	Costs and expenses of merchandising, jobbing, and contract work.	520.2	Costs and expenses of merchandising, jobbing, and contract work.
		Income from merchandising, jobbing, and contract work.		Income from merchandising, jobbing, and contract work.
2521	1521	Income from nonutility operations.	521	Income from nonutility operations.
2522	1522	Revenues from lease of other physical property.	522	Revenues from lease of other physical property.
2523	1523	Dividend revenues.	523	Dividend revenues.
2524	1524	Interest revenues.	524	Interest revenues.
			524.1	Interest on securities owned.
			524.2	Other interest revenues.
2525	1525	Revenues from sinking and other funds.	525	Revenues from sinking and other funds.
2526	1526	Miscellaneous nonoperating revenues.	526	Miscellaneous nonoperating revenues.
2527	1527	Nonoperating revenue deductions.	527	Nonoperating revenue deductions.
		Total other income.		Total other income.
		Gross income.		Gross income.
		INCOME DEDUCTIONS		INCOME DEDUCTIONS
2530	1530	Interest on long-term debt.	530	Interest on long-term debt.
2531	1531	Amortization of debt discount and expense.	531	Amortization of debt discount and expense.
2532	1532	Amortization of premium on debt—Credit.	532	Amortization of premium on debt—Credit.
2533	1533	Taxes assumed on interest.	533	Taxes assumed on interest.
2534	1534	Interest on debt to associated companies.	534	Interest on debt to associated companies.
			534.1	Interest on advances from associated companies.
			534.2	Interest on other debt to associated companies.
2535	1535	Other interest charges.	535	Other interest charges.
2536	1536	Interest charged to construction—Credit.	536	Interest charged to construction—Credit.
2537	1537	Miscellaneous amortization.	537	Miscellaneous amortization.
2538	1538	Miscellaneous income deductions.	538	Miscellaneous income deductions.
		Total income deductions.		Total income deductions.
		Net income.		Net income.
		DISPOSITION OF NET INCOME		DISPOSITION OF NET INCOME
2540	1540	Miscellaneous reservations of net income.	540	Miscellaneous reservations of net income.
		Balance transferred to earned surplus.		Balance transferred to earned surplus.

§ 104.8 *Operating revenue accounts for all utilities.*

Account D Nos.	Account C Nos.	Account A and B Nos.	Accounts for all utilities (including municipal licensees)	Account D Nos.	Account C Nos.	Account A and B Nos.	Accounts for all utilities (including municipal licensees)
			SALES OF ELECTRIC ENERGY				OTHER ELECTRIC REVENUES
2600	1600	600	Residential or domestic sales.	2610	1610	610	Rent from electric property.
2601	1601	601	Rural sales.	2611	1611	611	Interdepartmental rents.
2602	1602	602	Commercial and industrial sales.	2612	1612	612	Customers' forfeited discounts and penalties.
2603	1603	603	Public street and highway lighting.	2613	1613	613	Sales of water and water power.
2604	1604	604	Other sales to public authorities.	2614	1614	614	Servicing of customers' installations.
2605	1605	605	Sales to other electric utilities.	2615	1615	615	Miscellaneous electric revenues.
2606	1606	606	Sales to railroads and railways.				
2607	1607	607	Interdepartmental sales.				
2608	1608	608	Other sales.				

§ 104.9 *Operating expense accounts for all utilities.*

Accounts for class D Utilities (including municipal licensees)	Accounts for class C Utilities (including municipal licensees)	Accounts for class B Utilities (including municipal licensees)	Accounts for class A Utilities (including municipal licensees)
PRODUCTION EXPENSES	PRODUCTION EXPENSES	PRODUCTION EXPENSES	PRODUCTION EXPENSES
ELECTRIC GENERATION—STEAM POWER	ELECTRIC GENERATION—STEAM POWER	ELECTRIC GENERATION—STEAM POWER	ELECTRIC GENERATION—STEAM POWER
Operation	*Operation*	*Operation*	*Operation*
	1701. Operation supervision and engineering.	701. Operation supervision and engineering.	701. Operation supervision and engineering.
2701. Operation supervision and labor.	1702. Station labor.	702. Station labor.	702.1 Boiler labor.
			702.2 Prime mover and generator labor.
			702.3 Electric labor.
			702.4 Miscellaneous station labor.
2703. Fuel.	1703. Fuel.	703. Fuel.	703. Fuel.
2704. Water.	1704. Water.	704. Water.	704. Water.
2705. Supplies and expenses.	1705. Supplies and expenses.	705. Supplies and expenses.	705.1 Lubricants.
			705.2 Station supplies.
			705.3 Station expenses.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
	1706. Maintenance supervision and engineering.	706. Maintenance supervision and engineering.	706. Maintenance supervision and engineering.
	1707. Maintenance of structures and improvements.	707. Maintenance of structures and improvements.	707. Maintenance of structures and improvements.
	1708. Maintenance of boiler plant equipment.	708. Maintenance of boiler plant equipment.	708.1 Maintenance of coal storage, handling, and weighing equipment.
			708.2 Maintenance of furnaces and boiler.
			708.3 Maintenance of boiler apparatus.
2706. Maintenance of steam production plant.			708.4 Maintenance of steam piping and accessories.
	1709. Maintenance of generating and electric equipment.	709. Maintenance of generating and electric equipment.	709.1 Maintenance of prime movers and generators.
			709.2 Maintenance of accessory electric equipment.
			709.3 Maintenance of miscellaneous power plant equipment.

Accounts for class D Utilities (including municipal licensees)	Accounts for class C Utilities (including municipal licensees)	Accounts for class B Utilities (including municipal licensees)	Accounts for class A Utilities (including municipal licensees)
PRODUCTION EXPENSES—Con.	PRODUCTION EXPENSES—Con.	PRODUCTION EXPENSES—Con.	PRODUCTION EXPENSES—Con.
ELECTRIC GENERATION—STEAM POWER—continued	ELECTRIC GENERATION—STEAM POWER—continued	ELECTRIC GENERATION—STEAM POWER—continued	ELECTRIC GENERATION—STEAM POWER—continued
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
2710. Rents.	1710. Rents.	710. Rents.	710. Rents.
2711. Steam from other sources.	1711. Steam from other sources.	711. Steam from other sources.	711. Steam from other sources.
2712. Steam transferred—Credit.	1712. Steam transferred—Credit.	712. Steam transferred—Credit.	712. Steam transferred—Credit.
2713. Joint expenses—Debit.	1713. Joint expenses—Debit.	713. Joint expenses—Debit.	713. Joint expenses—Debit.
2714. Joint expenses—Credit.	1714. Joint expenses—Credit.	714. Joint expenses—Credit.	714. Joint expenses—Credit.
ELECTRIC GENERATION—HYDRAULIC POWER	ELECTRIC GENERATION—HYDRAULIC POWER	ELECTRIC GENERATION—HYDRAULIC POWER	ELECTRIC GENERATION—HYDRAULIC POWER
Operation	*Operation*	*Operation*	*Operation*
	1715. Operation supervision and engineering.	715. Operation supervision and engineering.	715. Operation supervision and engineering.
2715. Operation supervision and labor.	1716. Station labor.	716. Station labor.	716.1 Hydraulic labor. 716.2 Prime mover and generator labor. 716.3 Electric labor. 716.4 Miscellaneous station labor.
2717. Water for power.	1717. Water for power.	717. Water for power.	717. Water for power.
2718. Supplies and expenses.	1718. Supplies and expenses.	718. Supplies and expenses.	718.1 Lubricants. 718.2 Station supplies. 718.3 Station expenses.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
	1719. Maintenance supervision and engineering.	719. Maintenance supervision and engineering.	719. Maintenance supervision and engineering.
	1720. Maintenance of structures and improvements.	720. Maintenance of structures and improvements.	720. Maintenance of structures and improvements.
	1721. Maintenance of reservoirs, dams and waterways.	721. Maintenance of reservoirs, dams and waterways.	721. Maintenance of reservoirs, dams and waterways.
2719. Maintenance of hydraulic production plant.	1722. Maintenance of generating and electric equipment.	722. Maintenance of generating and electric equipment.	722.1 Maintenance of prime movers and generators. 722.2 Maintenance of accessory electric equipment. 722.3 Maintenance of miscellaneous power plant equipment.
	1723. Maintenance of roads, railroads and bridges.	723. Maintenance of roads, railroads and bridges.	723. Maintenance of roads, railroads and bridges.
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
2724. Rents.	1724. Rents.	724. Rents.	724. Rents.
2725. Joint expenses—Debit.	1725. Joint expenses—Debit.	725. Joint expenses—Debit.	725. Joint expenses—Debit.
2726. Joint expenses—Credit.	1726. Joint expenses—Credit.	726. Joint expenses—Credit.	726. Joint expenses—Credit.
ELECTRIC GENERATION—INTERNAL COMBUSTION ENGINE POWER	ELECTRIC GENERATION—INTERNAL COMBUSTION ENGINE POWER	ELECTRIC GENERATION—INTERNAL COMBUSTION ENGINE POWER	ELECTRIC GENERATION—INTERNAL COMBUSTION ENGINE POWER
Operation	*Operation*	*Operation*	*Operation*
	1727. Operation supervision and engineering.	727. Operation supervision and engineering.	727. Operation supervision and engineering.
2727. Operation supervision and labor.	1728. Station labor.	728. Station labor.	728.1 Engine labor. 728.2 Electric labor. 728.3 Miscellaneous station labor.
2729. Engine fuel.	1729. Engine fuel.	729. Engine fuel.	729. Engine fuel.
2730. Supplies and expenses.	1730. Supplies and expenses.	730. Supplies and expenses.	730.1 Water. 730.2 Lubricants. 730.3 Station supplies. 730.4 Station expenses.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
	1731. Maintenance supervision and engineering.	731. Maintenance supervision and engineering.	731. Maintenance supervision and engineering.
	1732. Maintenance of structures and improvements.	732. Maintenance of structures and improvements.	732. Maintenance of structures and improvements.
2731. Maintenance of internal combustion production plant.	1733. Maintenance of fuel holders, producers, and accessories.	733. Maintenance of fuel holders, producers, and accessories.	733. Maintenance of fuel holders, producers, and accessories.
	1734. Maintenance of generating and electric equipment.	734. Maintenance of generating and electric equipment.	734.1 Maintenance of engines. 734.2 Maintenance of generators. 734.3 Maintenance of accessory electric equipment. 734.4 Maintenance of miscellaneous power plant equipment.
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
2735. Rents.	1735. Rents.	735. Rents.	735. Rents.
2736. Joint expenses—Debit.	1736. Joint expenses—Debit.	736. Joint expenses—Debit.	736. Joint expenses—Debit.
2737. Joint expenses—Credit.	1737. Joint expenses—Credit.	737. Joint expenses—Credit.	737. Joint expenses—Credit.
OTHER PRODUCTION EXPENSES AND CREDITS	OTHER PRODUCTION EXPENSES AND CREDITS	OTHER PRODUCTION EXPENSES AND CREDITS	OTHER PRODUCTION EXPENSES AND CREDITS
2738. Purchased power.	1738. Purchased power.	738. Purchased power.	738. Purchased power.
2739. Interchange power.	1739. Interchange power.	739. Interchange power.	739. Interchange power.
2740. Other expenses.	1740. Other expenses.	740. Other expenses.	740. Other expenses.
2741. Joint expenses—Debit.	1741. Joint expenses—Debit.	741. Joint expenses—Debit.	741. Joint expenses—Debit.
2742. Joint expenses—Credit.	1742. Joint expenses—Credit.	742. Joint expenses—Credit.	742. Joint expenses—Credit.
TRANSMISSION EXPENSES	TRANSMISSION EXPENSES	TRANSMISSION EXPENSES	TRANSMISSION EXPENSES
Operation	*Operation*	*Operation*	*Operation*
		743. Operation supervision and engineering.	743. Operation supervision and engineering.
2744. System operation.	1744. System operation.	744. Load dispatching labor and expenses.	744. Load dispatching labor and expenses.
		745. Operation of stations.	745.1 Station labor. 745.2 Station supplies and expenses.
		746. Operation of lines.	746.1 Overhead lines. 746.2 Underground lines.

Accounts for class D Utilities (including municipal licensees)	Accounts for class C Utilities (including municipal licensees)	Accounts for class B Utilities (including municipal licensees)	Accounts for class A Utilities (including municipal licensees)
TRANSMISSION EXPENSES—Con.	TRANSMISSION EXPENSES—Con.	TRANSMISSION EXPENSES—Con.	TRANSMISSION EXPENSES—Con.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
		747. Maintenance supervision and engineering.	747. Maintenance supervision and engineering.
		748. Maintenance of structures and improvements.	748. Maintenance of structures and improvements.
		749. Maintenance of station equipment.	749. Maintenance of station equipment.
2748. System maintenance.	1748. System maintenance.	750. Maintenance of overhead system.	750.1 Maintenance of towers and fixtures. 750.2 Maintenance of poles and fixtures. 750.3 Maintenance of conductors and devices.
		751. Maintenance of underground system.	751.1 Maintenance of conduit. 751.2 Maintenance of conductors and devices.
		752. Maintenance of roads and trails.	752. Maintenance of roads and trails.
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
2753. Rents.	1753. Rents.	753. Rents.	753. Rents.
2754. Joint expenses—Debit.	1754. Joint expenses—Debit.	754. Joint expenses—Debit.	754. Joint expenses—Debit.
2755. Joint expenses—Credit.	1755. Joint expenses—Credit.	755. Joint expenses—Credit.	755. Joint expenses—Credit.
DISTRIBUTION EXPENSES	DISTRIBUTION EXPENSES	DISTRIBUTION EXPENSES	DISTRIBUTION EXPENSES
Operation	*Operation*	*Operation*	*Operation*
		756. Operation supervision and engineering.	756. Operation supervision and engineering.
		757. Load dispatching labor and expenses.	757. Load dispatching labor and expenses.
	1757. Operation supervision and office expenses.	758. Distribution office expenses.	758.1 Distribution maps and records. 758.2 Other distribution office expenses.
		759. Operation of stations.	759.1 Station labor. 759.2 Station supplies and expenses.
2757. System operation.	1760. Operation of stations.	760. Operation of storage batteries.	760.1 Storage battery labor. 760.2 Storage battery supplies and expenses.
	1761. Operation of lines.	761. Operation of lines.	761.1 Overhead lines. 761.2 Underground lines. 761.3 Removing and resetting line transformers.
	1762. Services on customers' premises.	762. Services on customers' premises.	762.1 Removing and resetting meters. 762.2 Other services on customers' premises.
2763. Operation of street lighting and signal systems.	1763 Operation of street lighting and signal systems.	763. Operation of street lighting and signal systems.	763.1 Overhead systems. 763.2 Underground systems.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
	1764. Maintenance supervision and engineering.	764. Maintenance supervision and engineering.	764. Maintenance supervision and engineering.
	1765. Maintenance of structures and station equipment.	765. Maintenance of structures and improvements.	765. Maintenance of structures and improvements.
		766. Maintenance of station equipment.	766. Maintenance of station equipment.
		767. Maintenance of storage battery equipment.	767. Maintenance of storage battery equipment.
2765. System maintenance.	1768. Maintenance of lines.	768. Maintenance of overhead system.	768.1 Maintenance of poles, towers, and fixtures. 768.2 Maintenance of conductors and devices.
		769. Maintenance of underground system.	769.1 Maintenance of conduit. 769.2 Maintenance of conductors and devices.
	1770. Maintenance of line transformers and devices.	770. Maintenance of line transformers and devices.	770. Maintenance of line transformers and devices.
	1771. Maintenance of services.	771. Maintenance of services.	771. Maintenance of services.
	1772. Maintenance of meters.	772. Maintenance of meters.	772. Maintenance of meters.
	1773. Maintenance of installations and leased property on customers' premises.	773. Maintenance of installations on customers' premises.	773. Maintenance of installations on customers' premises.
		774. Maintenance of leased property on customers' premises.	774. Maintenance of leased property on customers' premises.
2775. Maintenance of street lighting and signal systems.	1775. Maintenance of street lighting and signal systems.	775. Maintenance of street lighting and signal systems.	775. Maintenance of street lighting and signal systems.
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
2776. Rents.	1776. Rents.	776. Rents.	776. Rents.
2777. Joint expenses—Debit.	1777. Joint expenses—Debit.	777. Joint expenses—Debit.	777. Joint expenses—Debit.
2778. Joint expenses—Credit.	1778. Joint expenses—Credit.	778. Joint expenses—Credit.	778. Joint expenses—Credit.
CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES	CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES	CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES	CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES
		779. Supervision.	779. Supervision.
2780. Meter reading, accounting, and collecting.	1780. Meter reading, accounting, and collecting.	780. Customers' contracts, orders, meter reading, and collecting.	780.1 Customers' contracts and orders. 780.2 Credit investigations and records. 780.3 Meter reading. 780.4 Collecting.
		781. Customer's billing and accounting.	781. Customers' billing and accounting.
		782. Miscellaneous expenses.	782. Miscellaneous expenses.
2783. Uncollectible accounts.	1783. Uncollectible accounts.	783. Uncollectible accounts.	783. Uncollectible accounts.
2784. Rents.	1784. Rents.	784. Rents.	784. Rents.
SALES PROMOTION EXPENSES	SALES PROMOTION EXPENSES	SALES PROMOTION EXPENSES	SALES PROMOTION EXPENSES
		785. Supervision.	785. Supervision.
2786. Sales expenses.	1786. Sales expenses.	786. Salaries and commissions.	786. Salaries and commissions.
		787. Demonstration, advertising, and other sales expenses.	787.1 Demonstration. 787.2 Advertising. 787.3 Miscellaneous sales expenses.
2788. Rents.	1788. Rents.	788. Rents.	788. Rents.
2789. Merchandising, jobbing, and contract work.	1789. Merchandising, jobbing, and contract work.	789. Merchandising, jobbing, and contract work.	789. Merchandising, jobbing, and contract work.
ADMINISTRATIVE AND GENERAL EXPENSES	ADMINISTRATIVE AND GENERAL EXPENSES	ADMINISTRATIVE AND GENERAL EXPENSES	ADMINISTRATIVE AND GENERAL EXPENSES
		790. Salaries of general officers and executives.	790. Salaries of general officers and executives.
2790. General office salaries.	1790. General office salaries.	791. Other general office salaries.	791. Other general office salaries.

Accounts for class D Utilities (including municipal licensees)	Accounts for class C Utilities (including municipal licensees)	Accounts for class B Utilities (including municipal licensees)	Accounts for class A Utilities (including municipal licensees)
ADMINISTRATIVE AND GENERAL EXPENSES—Continued	ADMINISTRATIVE AND GENERAL EXPENSES—Continued	ADMINISTRATIVE AND GENERAL EXPENSES—Continued	ADMINISTRATIVE AND GENERAL EXPENSES—Continued
	1793. General office and miscellaneous expenses.	792. Expenses of general officers and general office employees. 793. General office supplies and expenses.	792.1 Expenses of general officers. 792.2 Expenses of general office employees. 793. General office supplies and expenses.
	1794. Management and supervision fees and expenses.	794. Management and supervision fees and expenses.	794. Management and supervision fees and expenses.
	1796. Legal services.	796. Legal services.	796. Legal services.
2793. General expenses.	1798. Insurance.	798. Insurance.	798. Insurance.
	1799. Injuries and damages.	799. Injuries and damages.	799. Injuries and damages.
		795. Special services.	795. Special services.
	1800. Other general expenses.	800. Employees' welfare expenses and pensions.	800.1 Employees' welfare expenses. 800.2 Pensions.
		801. Miscellaneous general expenses.	801. Miscellaneous general expenses.
		804. Commissions paid under agency sales contracts.	804. Commissions paid under agency sales contracts.
2797. Regulatory commission expenses.	1797. Regulatory commission expenses.	797. Regulatory commission expenses.	797. Regulatory commission expenses.
2802. Maintenance of general property.	1802. Maintenance of general property.	802. Maintenance of general property.	802.1 Maintenance of structures and improvements. 802.2 Maintenance of office furniture and equipment. 802.3 Maintenance of communication equipment. 802.4 Maintenance of miscellaneous property.
2803. General rents.	1803. General rents.	803. General rents.	803. General rents.
2805. Franchise requirements.	1805. Franchise requirements.	805. Franchise requirements.	805. Franchise requirements.
2806. Duplicate miscellaneous charges—Credit.	1806. Duplicate miscellaneous charges—Credit.	806. Duplicate miscellaneous charges—Credit.	806. Duplicate miscellaneous charges—Credit.
2807. Administration and general expenses transferred—Credit.	1807. Administration and general expenses transferred—Credit.	807. Administration and general expenses transferred—Credit.	807. Administration and general expenses transferred—Credit.
2808. Joint expenses—Debit.	1808. Joint expenses—Debit.	808. Joint expenses—Debit.	808. Joint expenses—Debit.
2809. Joint expenses—Credit.	1809. Joint expenses—Credit.	809. Joint expenses—Credit.	809. Joint expenses—Credit.
2810. Stores expenses.[1]			
2811. Transportation expenses.[1]			

[1] Required to be kept by Class D utilities that are not using the optional clearing accounts 902, Stores Expenses, and 903, Transportation Expenses.

§ 104.10 *Clearing accounts for utilities other than municipal licensees.*

Account		Accounts for Class C and Class D Utilities (excluding municipal licensees)	Account A and B Nos.	Accounts for Class A and Class B Utilities (excluding municipal licensees)
D Nos.	C Nos.			
2901	1901	Charges by associated companies—Clearing.	901	Charges by associated companies—Clearing.
2902	1902	Stores expenses—Clearing.	902	Stores expenses—Clearing.
2903	1903	Transportation expenses—Clearing.	903	Transportation expenses—Clearing.
			904	Laboratory expenses—Clearing.
			905	Shop expenses—Clearing.

NOTE: Use of the above accounts is optional with Class D utilities and licensees. Class D utilities and licensees that do not use the above accounts are required to use accounts 2810, Stores Expenses, and 2811, Transportation Expenses, included in Administrative and General Expenses.

§ 104.11 *Clearing accounts for municipal licensees.*

Account		Accounts for Class C and Class D Municipal Licensees (see note below)	Account A and B Nos.	Accounts for Class A and Class B Municipal Licensees
D Nos.	C Nos.			
2901	1901	Charges by municipality—Clearing.	901	Charges by municipality—Clearing.
2902	1902	Stores expenses—Clearing.	902	Stores expenses—Clearing.
2903	1903	Transportation expenses—Clearing.	903	Transportation expenses—Clearing.
			904	Laboratory expenses—Clearing.
			905	Shop expenses—Clearing.

NOTE: Use of the above accounts is optional with Class D licensees. Class D licensees that do not use the above accounts are required to use accounts 2810, Stores Expenses and 2811, Transportation Expenses, included in Administrative and General Expenses.

PART 116—UNITS OF PROPERTY FOR USE IN ACCOUNTING FOR ADDITIONS TO AND RETIREMENTS OF ELECTRIC PLANT

Sec.
116.0 Prescribing list of units of property.
116.1 Instructions.
116.2 List of units of property.

AUTHORITY: §§ 116.0 to 116.2, inclusive, issued under secs. 3 (13), 4 (b) 301, 304 (a), 308, 309, 49 Stat. 839, 854, 855, 858; 16 U. S. C. 796 (16), 797 (b), 825 (a), (b), (c), 825c (a), 825g, 825h.

§ 116.0 *Prescribing list of units of property.* (a) The accompanying list and description of units of property and instructions relating thereto be and the same are hereby prescribed and promulgated, effective February 1, 1937, to be observed by public utilities subject to the jurisdiction of the Commission and by licensees holding licenses issued by the Commission as provided in Electric Plant Instruction 12 B (§ 101.3–12 (b) of this subchapter) of the Uniform System of Accounts prescribed for public utilities and licensees, as revised to December 31, 1936, in accounting for additions to and retirements and replacements of electric plant: *Provided, however,* That any public utility or licensee may make the same effective as of January 1, 1937, if it so elects.

(b) A copy of this order and the accompanying list and description of the units of property and instructions relating thereto be forthwith served upon each public utility subject to the jurisdiction of the Commission, and each licensee or permittee holding a license or permit from the Commission.

§ 116.1 *Instructions.* The units of property listed herein are prescribed and are to be accounted for in accordance with Electric Plant Instruction 12 (§ 101.3–12 of this subchapter) of the Uniform System of Accounts for public utilities and licensees, as revised to December 31, 1936. Electric Plant Instruction 12 (§ 101.3–12 of this subchapter) provides, in part, as follows:

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

B. *Units of property.* Each utility may adopt its own list of units for the purpose of this instruction until such time as the Commission shall prescribe a list of units.

(1) When a unit of property is added to electric plant, the cost thereof shall be added to the appropriate electric plant account, except that when units are acquired

in the acquisition of any electric plant constituting an operating system, they shall be accounted for as provided in electric plant instruction 4.

(2) When a unit of property is retired from electric plant, with or without replacement, the book cost thereof shall be credited to the electric plant account in which it is included, * * *.

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

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the electric plant account in which it is included; * * * If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the unit of property of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

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

The list of units may be expanded by any public utility or licensee without other authorization from this Commission but it may not be condensed; thus, the units listed herein are of maximum size and while subdivision thereof, or the addition of other units, is permitted, the combination or the increase in size of such units is enjoined.

Wherever appropriate, the retirement of any unit of property in the structures or equipment accounts shall include all costs of associated items which pertain solely to that unit, such as the cost of foundations, supports, ladders, runways, enclosures, guards, driving mechanisms, indicating, recording and measuring devices with their mountings, starting, control, regulating, protective and safety devices, switchboards, special lighting conduits and wiring, pipes, ducts, spouts, chutes, hoppers, etc.

If, because of a contract previously entered into, adherence to the list of units contained herein would cause an undue hardship, such as the loss of revenue to a particular utility, a petition for relief, giving therein a full disclosure of the facts and a suggested modification of the list necessary to avoid the hardship during the period of the contract, should be submitted to the Commission.

It is contemplated that the list of units contained herein will be revised and amended from time to time as experience and conditions warrant.

§ 116.2 *List of units of property.*

(The article a, an or the, as appropriate, should be read in connection with each unit of property listed herein.)

311. Structures and improvements:
1. Air conditioning or ventilating system.
2. Boiler, furnace, hot-water heater, or automatic stoker.
3. Burner system, gas or oil.
4. Coal or ash conveying system.
5. Elevator complete with operating mechanism.
6. Equipment item, such as a motor, generator, engine, turbine, pump, compressor, ventilating fan, air washer, elevator drum, or similar item of equipment includible in structures, with or without associated wiring, control equipment, etc.
7. Fire escape system.
8. Fire protection system.
9. Foundation, when includible in structures.
10. House-lighting or power board.
11. Lighting fixtures, with or without associated wiring and conduit.
12. Roof, with or without supporting members. (A structure of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of structures to which lateral extensions have been made, even though having but one roof level that part of the roof covering an entire section built at one time shall be considered an entire roof.)
13. Structure, complete.
14. Tank.

312. Boiler plant equipment:
A. Steam boiler installation:
1. Boiler.
2. Foundation, boiler, when independent of structure.
3. Fuel burning equipment for one boiler (grates, stokers, stoker drive, burners, etc.).
4. Furnace.
5. Furnace walls or arches, air or water cooled, for one boiler.
6. Reheater.
7. Setting, boiler.
8. Soot blower system for one boiler.
9. Superheater, when separate from boiler.
B. Draft equipment:
1. Air duct system.
2. Air heater.
3. Breeching system.
4. Cinder catcher.
5. Fan, draft.
6. Stack, with or without foundation.
C. Feed water system:
1. Deaerator.
2. Economizer, when separate from boiler.
3. Heat exchanger.
4. Heater, feed water (main or stage).
5. Measuring and recording device.
6. Pump (main or stage).
7. Regulator, feed water.
8. Tank.
D. Coal fuel equipment:
1. Bin or bunker not includible in structures.
2. Capstan or winch, power.
3. Car.
4. Car dumper.
5. Chutes or spouts, system of.
6. Conveyor (belt, cable way, portable, screw, etc.).
7. Crane (locomotive, gantry or monorail).
8. Crusher.
9. Electric trolley or third rail system.
10. Elevator (vertical, bucket, skip hoist).
11. Gates, chutes, downtakes, spreaders, or hoppers, for one boiler.
12. Hoist or derrick.
13. Hopper, track or weigh.
14. Locomotive.
15. Lorry.
16. Scraper, drag.
17. Screening or sizing installation.
18. Separator, magnetic.
19. Structure, fuel handling, with mechanism (not includible in structures).
20. Track scale.
21. Track system.
22. Trestle.
E. Pulverized fuel equipment:
1. Air filter or washer.
2. Air preheater.
3. Air compressor.
4. Conveyor.
5. Chutes, ducts or transport pipes, system of.
6. Coal feeder, raw or powdered.
7. Crusher.
8. Dryer.
9. Fan.
10. Hopper or bin.
11. Pulverizer.
12. Pump.
13. Screening or sizing installation.
14. Separator, electric or mechanical (dust collector or concentrated).
15. Sludge pump.
16. Weighing machine, automatic.
F. Oil fuel equipment:
1. Heater.
2. Meter.
3. Pump.
4. Tank.
G. Gas fuel equipment:
1. Holder or tank.
2. Meter.
3. Pressure regulator or control device.
H. Ash handling equipment:
1. Car.
2. Conveyor or elevator.
3. Crane hoist or derrick.
4. Electric trolley or third rail system.
5. Fan.
6. Locomotive.
7. Pump.
8. Removal system (vacuum, steam jet, or hydraulic).
9. Sluiceway or piping system.
10. Storage bin or pit.
11. Sump dredge.
12. Track system.
I. Water supply and purification system:
1. Meter.
2. Pump.
3. Tank.
4. Water softener or purification system.
5. Well.
J. Ventilating equipment:
1. Air duct system.
2. Blower.
3. Cooler or heater.
4. Washer.
K. Instruments and meters:
1. Automatic control installation.
2. Master controller installation.
3. Panel section of a switch or instrument board.
4. Recording or indicating device.
L. Boiler plant piping:
1. Desuperheater.
2. Header of any class of piping such as each pressure or temperature class of live steam; each pressure class of exhaust steam; raw water; treated water; feed water; drip and drain piping; boiler blowdown; compressed air; hot or cold service water; lubricating oil; fuel oil; gas; fire protection; etc.
3. Piping, branch run of any class, 2 inches or over in size, between one or more units of property and a header.
4. Piping, run of any class, 2 inches or over in size, between two or more units of property.
5. Separator or purifier, steam.
6. Trap, high-pressure.
7. Valve, motor operated, pressure reducing, boiler non-return, or other relatively costly valve.

NOTE: Wherever appropriate, the "piping" costs of additions and retirements shall include all costs for pipes, valves, fittings, specials, covering, hangers, supports, etc., pertaining to the run or header in question.

313. Engines and engine-driven generators.
314. Turbo-generator units:
A. Engine-driven generating installation (Account 313):
1. Drive or connection between engine and generator.
2. Engine.
3. Exciter, direct connected or belt-driven.
4. Foundation, independent of structure.
5. Generator.

6. Governor control system.
B. Turbo-generator installation (Account 314):
1. Equipment, starting and turning.
2. Exciter, direct connected or belt-driven.
3. Foundation, independent of structure.
4. Generator.
5. Governor control system.
6. Remote control rheostat and field switch.
7. Turbine.
C. Condensing and cooling water system (Accounts 313 and 314):
1. Air ejector apparatus for one condenser.
2. Condenser.
3. Condenser tube protective system (chemical, electric, electrolytic, etc.).
4. Cooling tower.
5. Fan.
6. Intake screen and mechanism.
7. Pump, circulating, condensate, vacuum, etc.
8. Spraying system.
9. Tank.
10. Valve, atmospheric relief.
D. Central generator cooling system (Accounts 313 and 314):
1. Air duct system.
2. Air washer.
3. Blower.
4. Cooler.
E. Central lubricating system (Accounts 313 and 314):
1. Accumulator.
2. Cooler.
3. Pump.
4. Purifier or filter.
5. Tank.
F. Instruments and meters (Accounts 313 and 314):
1. Panel section of a switch or instrument board.
2. Recording or indicating device.
G. Engine and turbine plant piping (Accounts 313 and 314):
1. Header of any class of piping, such as each pressure or temperature class of live steam; each pressure class of exhaust steam; raw water; treated water; feed, stage, and condensate water; cooling water; gland piping; lubricating oil; insulating oil; gas; free exhaust piping; vent piping; drip and drain piping; condensing water; compressed air; hot or cold service water; oil and lubricating; etc.
2. Piping, branch run of any class, 2 inches or over in size, between one or more units of property and a header.
3. Piping, run of any class, 2 inches or over in size, between two or more units of property.
4. Separator or purifier, steam.
5. Tank.
6. Trap, high-pressure.
7. Valve, motor operated, pressure reducing, or other relatively costly valve.

NOTE: Wherever appropriate, the "piping" costs of additions and retirements shall include all costs for pipes, valves, fittings, specials, covering, hangers, supports, etc., pertaining to the run or header in question.

315. Accessory electric equipment:
1. Air duct system.
2. Auxiliary generator set.
3. Battery charging set.
4. Choke coils, set of.
5. Condenser, synchronous.
6. Control installation, system operator's.
7. Converter, synchronous or rotary.
8. Exciter, separately driven.
9. Fan or blower.
10. Foundation equipment.
11. Frequency changer.
12. Frequency control system.
13. Fuse equipment, set of high tension.
14. Generator voltage regulator system.
15. Induction regulator.
16. Lightning arrester.
17. Oil circuit breaker.
18. Panel or panels, devoted to a single purpose, with electric equipment accessory thereto.
19. Reactor or resistor.
20. Rectifier.
21. Static condensers, set or bank of.
22. Storage battery (station control).
23. Switches, set of disconnecting.
24. Testing equipment, set of.
25. Transformer, not accessory to a panel.
26. Truck switch with wiring and instruments.
27. Wiring, power:
(a) Bus compartment, including integral cubicles for equipment.
(b) Bus—wires, cables, and insulators.
(c) Cable or conductor, each continuous circuit run.
(d) Circuit of generator leads to a bus including supports and protective barriers.
(e) Multiple conduit run between two or more units of property.
(f) Outgoing feeder or auxiliary power feeder including its individual conduit, supports and barriers.
316. Miscellaneous power plant equipment:
1. Air compressor.
2. Air conditioning or ventilating system.
3. Barge, boat, or similar item of marine equipment.
4. Car, railway.
5. Communication system, station signal or call.
6. Compressed air system.
7. Crane, hoist or derrick.
8. Fire protection system.
9. Laboratory equipment, principal item, such as drying oven, calorimeter, etc.
10. Locomotive.
11. Oil-reclaiming installation.
12. Pump (sump, drain, miscellaneous).
13. Tool, each principal item such as forge, lathe, drill press, steam hammer, welding equipment, etc.
14. Vacuum cleaning system.

NOTE: If any of the units of property listed above are a part of a structure and includible in account 311, Structures and Improvements, they shall be accounted for through that account.

321. Structures and improvements: (See Account 311 for applicable units of property.)
322. Reservoirs, dams, and waterways:
1. Apron.
2. Boom.
3. Bridge or draw span.
4. Bulkhead.
5. Dam.
6. Dike, with or without riprap or core wall.
7. Fish ladder, elevator or lock system.
8. Forebay.
9. Flume, tunnel, or canal.
10. Gate.
11. Gate hoist.
12. Gate hoist track.
13. Gate section.
14. Gravity section.
15. Heating or thawing system.
16. Lock, navigation.
17. Penstock.
18. Pier.
19. Piling system of (steel sheet), to protect any of the structures.
20. Substructure, power plant.
21. Tailrace.
22. Tank, surge.
23. Trash rack.
24. Walkway.
25. Wall, wing, cut-off, baffle.
26. Wiring, light and power system.
323. Water wheels, turbines, and generators:
A. Hydro-generating installation:
1. Bearing, step or thrust, with or without associated equipment.
2. Drive or connection between water wheel and generator.
3. Exciter, direct connected or belt-driven.
4. Foundation, independent of structure.
5. Generator.
6. Governor control system.
7. Remote control rheostat and field switch.
8. Valve, penstock, main, or by-pass.
9. Water turbine or water wheel, with or without draft tube, scroll case or housing.
B. Central generator cooling system:
1. Air duct system.
2. Air washer.
3. Blower.
4. Cooler.
C. Central lubricating or bearing pressure system:
1. Accumulator.
2. Cooler.
3. Piping system.
4. Pump.
5. Purifier or filter.
6. Tank.
D. Instruments and meters:
1. Panel section of switch or instrument board.
2. Recording or indicating device.
324. Accessory electric equipment: (See Account 315 for applicable units of property).
325. Miscellaneous power plant equipment: (See Account 316 for applicable units of property).
326. Roads, railroads, and bridges:
1. Bridge.
2. Culvert.
3. Draw span.
4. Railroad.
5. Road or trail.
6. Trestle.
331. Structures and improvements: (See Account 311 for applicable units of property).
332. Fuel holders, producers, and accessories:
A. Fuel oil system:
1. Boiler, heating.
2. Heater, not a part of tank.
3. Meter, fuel oil.
4. Piping system, fuel oil.
5. Pump.
6. Purifier.
7. Tank, including foundations, supports and fire protection.
B. Gas fuel system:
1. Ash handling equipment for a producer.
2. Boiler.
3. Booster.
4. Compressor.
5. Fuel handling equipment for a producer.
6. Holder.
7. Meter.
8. Piping system, gas.
9. Producer.
10. Recording or indicating device.
11. Regenerator.
12. Scrubber or washer.
13. Vaporing unit for butane gas.
333. Internal combustion engines:
A. Internal combustion engine:
1. Air intake equipment for one engine.
2. Drive or connection between engine and generator.
3. Engine, with or without foundation.
4. Governor control system.
5. Heat exchanger.
5. Meters and instruments for one engine.
7. Muffler.
8. Stack.
9. Starting and turning equipment.
B. Central lubricating system:
1. Cooler.
2. Piping system, oil.
3. Pump.
4. Purifier or filter.
5. Tank.
C. Central cooling water system:
1. Heat exchanger.
2. Piping system, cooling water.
3. Pump.
4. Purification system, water.
5. Spraying system.
6. Tank, storage, surge, or hot-well.
7. Tower, cooling.

D. Central starting system:
1. Compressor.
2. Piping system, starting.
3. Tank, storage or compressed air.
E. Central intake air supply:
1. Air duct system.
2. Air filter or screen.
3. Blower.
4. Silencer.
F. Central exhaust gas system:
1. Heat exchanger (or waste heat boiler).
2. Muffler.
3. Piping system, exhaust.
4. Stack.

334. Generators:
1. Exciter, direct connected or belt-driven.
2. Generator.
3. Panel section of a switch or instrument board.
4. Recording or indicating device.
5. Remote control rheostat and field switch.

335. Accessory electric equipment: (See Account 315 for applicable units of property.)

336. Miscellaneous power plant equipment: (See Account 316 for applicable units of property.)

342. Structures and improvements: (See Account 311 for applicable units of property.)

343. Station equipment (transmission):
1. Air compressor.
2. Air duct system.
3. Battery charging set.
4. Bus compartment, including integral cubicles for equipment.
5. Bus—wires, cables, and insulators.
6. Cable or conductor, each continuous circuit run.
7. Choke coils, set of.
8. Condenser, synchronous.
9. Conduit, each continuous run or bank.
10. Converter, synchronous or rotary.
11. Crane or hoist.
12. Enclosure equipment, such as a guard, screen, housing, fence, or barrier not a part of the structure.
13. Fan or blower.
14. Foundation, equipment.
15. Frequency changer.
16. Fuse equipment, set of high tension.
17. Induction regulator.
18. Lighting system.
19. Lightning arrester.
20. Manhole.
21. Motor.
22. Motor generator set.
23. Oil purifier or filter.
24. Oil switch or circuit breaker.
25. Panel or panels, devoted to a single purpose, with electric equipment accessory thereto.
26. Reactor or resistor.
27. Rectifier.
28. Stair or platform.
29. Static condensers, set or bank of.
30. Storage battery (station control).
31. Structure forming a common support for two or more units of equipment.
32. Switches, set of disconnecting.
33. Tank, oil storage.
34. Testing equipment, set of.
35. Track system, transformer.
36. Transformer, not accessory to a panel.
37. Truck switch with wiring and instruments.
38. Truck, transformer.

344. Towers and fixtures (transmission):
1. Tower, with or without foundation.

345. Poles and fixtures (transmission):
1. Frame, A or H, with or without associated crossarms, guys, anchors, etc.
2. Pole, i. e., line pole, brace pole, or guy pole, with or without associated crossarms, guys, anchors, etc.

346. Overhead conductors and devices (transmission):
1. Conductor, two or more continuous spans of one circuit.
2. Circuit breaker.
3. Lightning arresters, set of.
4. Line switches, set of.

347. Underground conduit (transmission):
1. Conduit, section of, between two manholes, or between a manhole and a pole.
2. Manhole, splicing chamber or cable vault (not including hand holes).
3. Ventilating equipment, complete installation at one location.

348. Underground conductors and devices (transmission).
1. Circuit breaker.
2. Conductor (buried), section of cable 600 feet or more in length.
3. Conductor (in conduit), circuit between two manholes or between a manhole and a pole.
4. Conductor (submarine), submerged length of cable between terminal chambers or manholes.
5. Lightning arresters, set of.
6. Line switches, set of.

349. Roads and trails (transmission): (See Account 326 for applicable units of property.)

352. Station equipment (distribution): (See Account 343 for applicable units of property.)

354. Poles, towers, and fixtures (distribution):
1. Frame, A or H, with or without associated crossarms, guys, anchors, etc.
2. Pole, i. e., line pole, brace pole, or guy pole, with or without associated crossarms, guys, anchors, etc.
3. Tower, with or without foundation.

355. Overhead conductors and devices (distribution):
1. Conductor, two or more continuous spans of one circuit.
2. Circuit breaker.
3. Lightning arresters, set of.
4. Line switches, set of.

356. Underground conduit (distribution):
1. Conduit, section of, between two manholes or between a manhole and a pole.
2. Manhole, splicing chamber or cable vault (not including hand holes).
3. Ventilating equipment, complete installation at one location.

357. Underground conductors and devices (distribution):
1. Circuit breaker.
2. Conductor (buried), section of cable 600 feet or more in length.
3. Conductor (in conduit), circuit between two manholes or between a manhole and a pole.
4. Conductor (submarine), submerged length of cable between terminal chambers or manholes.
5. Lightning arresters, set of.
6. Line switches, set of.

358. Line transformers:
1. Capacitor bank.
2. Lightning arresters, set of.
3. Network protector.
4. Transformer, with or without case.
5. Transformer cut-out boxes or switches, set of.
6. Voltage regulator.

(See also text of Account 761.3, Removing and Resetting Line Transformers.)

359. Services:
1. Overhead service.
2. Underground service (not including duct).
3. Underground service duct.

360. Meters:
1. Current limiting device.
2. Instrument transformers, set of.
3. Meter.
4. Time switch.

(See also text of Account 762.1, Removing and Resetting Meters.)

361. Installation on customers' premises:
1. Cable vault.
2. Commercial lighting equipment installation on one premise.
3. Equipment installation, such as a frequency changer, a motor, a motor generator set, etc.
4. Switchboard and wire or cable connections on one premise.

NOTE: See also other accounts for appropriate units of property.

362. Leased property on customers' premises:
1. Equipment installation, such as a motor, transformer, etc.

NOTE: See also other accounts for appropriate units of property.

363. Street lighting and signal systems:
1. Lamp fixture including suspension fixtures, brackets, glassware, etc., when not a part of post or standard.
2. Post or standard.
3. Series contactor.
4. Signal installation at one location.
5. Time switch.
6. Transformer.

NOTE: See also units as listed under Accounts 355, Overhead Conductors and Devices, 356, Underground Conduit, 357, Underground Conductors and Devices, and 358, Line Transformers, when such property is included in this account.

371. Structures and improvements: (See Account 311 for applicable units of property.)

372. Office furniture and equipment—Each principal item of equipment such as:
1. Adding or calculating machine (including coin counters).
2. Bookcase (complete).
3. Blue print machine.
4. Cabinet.
5. Desk.
6. Dictating machine (recording or reproducing).
7. Duplicating machine (including letter press).
8. Photostat machine.
9. Safe.
10. Sofa or lounge.
11. Table.
12. Typewriter.
13. Wardrobe.

373. Transportation equipment — Each principal item of equipment such as:
1. Air compressor.
2. Gasoline or oil pump.
3. Gasoline or oil storage tank.
4. Horse, mule, or ox.
5. Motor.
6. Power-driven greasing machine.
7. Tractor.
8. Vehicle.

374. Stores equipment — Each principal item of equipment such as:
1. Crane, hoist, or chainfall.
2. Motor.
3. Portable elevating and stacking equipment.
4. Shelving or bins, section of.
5. Truck.

375. Shop equipment—Each principal item of equipment such as:
1. Air compressor.
2. Boiler.
3. Crane, hoist or chainfall.
4. Drilling machine.
5. Drill press.
6. Electric welding machine.
7. Engine.
8. Forge.
9. Furnace.
10. Lathe.
11. Motor.
12. Planer.
13. Shaper.

376. Laboratory equipment—Each principal item of equipment such as:
1. Centrifuge.
2. Dynamometer.
3. Transformer, testing and loading.

377. Tools and work equipment—Each principal item of equipment such as:
1. Air compressor.
2. Boiler.
3. Cable pulling power equipment.
4. Concrete mixer.
5. Derrick, crane, hoist, or chainfall.
6. Engine.
7. Forge.
8. Furnace.

9. Motor.
10. Pile driving machine.
11. Pipe threading and cutting machine.
12. Pole setting machine.
13. Post hole digger.
14. Pump.
15. Trenching machine.

378. Communication equipment — Each principal item of equipment such as:

1. Carrier current coupling capacitor.
2. Carrier current transmitting and receiving set.
3. Intercommunicating telephone system.
4. Radio receiver.
5. Radio transmitter.
6. Storage battery installation.

NOTE: Units of conductors, supports and duct lines shall be identical with those prescribed for Accounts 344, 345, 346, 347, 348, 354, 355, 356, and 357.

379. Miscellaneous equipment—Each principal item of equipment such as:

1. Billiard table.
2. Bowling alley.
3. Radio.
4. Soda fountain.

PART 120—MISCELLANEOUS ACCOUNTING ORDERS

Sec.

120.1 Suspension of keeping of Account 901 where separate account for each associated company is maintained.
120.2 General instruction 12 of the uniform system of accounts.
120.3 Electric plant instruction 2 D, uniform system of accounts.
120.4 Electric plant acquisition adjustment accounts.

AUTHORITY: §§ 120.1 to 120.4, inclusive, issued under secs. 3 (13), 4 (b), 301, 304 (a), 308, 309, 49 Stat. 839, 854, 855, 858; 16 U. S. C., 796 (13), 797 (b), 825 (a), (b), (c), 825c (a), (b), (c), 825g, 825h.

§ 120.1 *Suspension of keeping of Account 901 where separate account for each associated company is maintained.* Upon applications now on file or hereafter filed, when approved by the Commission's Bureau of Finance and Accounts, and until further notice the keeping of Account 901, Charges by Associated Companies—Clearing, be and the same is hereby suspended for all public utilities and licensees which keep a separate account for each associated company, provided all charges by associated companies be recorded in the respective associated company account and provided further that such accounts be maintained so as to permit ready analysis.

§ 120.2 *General instruction 12 of the uniform system of accounts.* Until further notice, public utilities and licensees may, for the purpose of complying with General Instruction 12 (§ 101.03–12 of this subchapter) of the Uniform System of Accounts, group as a single plant, within the purview of said General Instruction 12, transmission lines of the same voltage and same general type of construction and operated under similar conditions.

§ 120.3 *Electric plant instruction 2 D, uniform system of accounts.* In submitting the information called for in Electric Plant Instruction 2 D (§ 101.3–2 (d) of this subchapter) of the Uniform System of Accounts, prescribed for public utilities and licensees, each utility shall furnish, insofar as applicable, the following statements properly sworn to by the officer in responsible charge of their compilation:

STATEMENT A

Statement A showing in outline the origin and development of the company including, particularly, a description (giving names of parties and dates) of each consolidation and merger to which the company, or a predecessor, was a party and each acquisition of an electric operating unit or system.

STATEMENT B

Statement B showing for each acquisition by the reporting company or any of its predecessors of an electric operating unit or system, the original cost, estimated, if not known, the cost of such company and the amount entered in the books in respect thereto as of the date of acquisition. If the depreciation, retirement or amortization reserve was adjusted as of the date of acquisition and in connection therewith, a full disclosure of the pertinent facts should be made. The difference between the original cost and the amount entered in respect thereto of each acquisition of an electric operating unit or system, as of the date of acquisition, should be clearly stated, and a summary of all transactions affecting such difference between the date of the respective acquisition and January 1, 1937, and the resultant amount on the latter date, should be set forth. The amount to be included in Account 100:5, Electric Plant Acquisition Adjustments, as of January 1, 1937, shall be subdivided so as to show the amounts applicable to (1) electric plant in service, (2) electric plant leased to others, and (3) electric plant held for future use. Whenever practical, such amount shall be classified according to nature, i. e., going value, structural value, etc.

Where estimates are used in arriving at original cost or the amount to be included in Account 100:5, a full disclosure of the method and underlying facts should be given. The method of determining the original cost of the electric plant acquired as operating units or systems should be described in sufficient detail to permit a clear understanding of the nature of the investigations which were made for that purpose.

STATEMENT C

Statement C showing any amounts arrived at by appraisals, recorded prior to January 1, 1937, in the electric plant accounts (and not eliminated) in lieu of cost to the reporting company. This statement should give the full journal entry at the time the appraisal was originally recorded and if the entry had the effect of appreciating or writing-up the electric plant account, the amount of the appreciation or write-up should be traced, by proper description and explanation of changes, from the date recorded to January 1, 1937.

STATEMENT D

Statement D showing electric plant as of December 31, 1936, as classified in the books of account immediately prior to reclassification in accordance with the new system of accounts, including, under a descriptive heading, any unclassified amounts applicable jointly to the electric department and other departments of the utility.

STATEMENT E

Statement E showing summary of adjustments necessary to state, as of January 1, 1937, Account 100, Electric Plant, including all its subsidiary accounts, and Account 107, Electric Plant Adjustments, as prescribed in the Uniform System of Accounts.

STATEMENT F

Statement F showing electric plant (balance sheet Account 100) as of January 1, 1937, classified according to the accounts prescribed in the Uniform System of Accounts, effective on that date, and showing also the amount includible in Account 107, Electric Plant Adjustments.

STATEMENT G

Statement G giving a comparative balance sheet, as of January 1, 1937, showing the accounts and amounts appearing in the books before the adjusting entries have been made and after such entries shall have been made.

STATEMENT H

Statement H giving a suggested plan for depreciating, amortizing, or otherwise disposing in whole or in part of the amounts, as of January 1, 1937, includible in Account 100:5, Electric Plant Acquisition Adjustments, and Account 107, Electric Plant Adjustments.

STATEMENT I

Statement I giving the following statistical information relative to electric plant.

PRODUCTION PLANT

Steam production. Separately for each steam plant: Name of plant, date of construction, name plate generating capacity (kw) as originally constructed and as at present, also name plate capacity and date of installation of each addition to generating capacity. The original cost, where available, by Accounts 310 to 316, of each steam production plant.

Hydraulic production. Separately for each hydro plant: Name of plant, date of construction, capacity of reservoirs (acre feet), name plate generating capacity (kw) as originally constructed and as at present, also name plate capacity and date of installation of each addition to generating capacity. The original cost, where available, by Accounts 320 to 326, of each hydraulic production plant.

Internal combustion engine production. For each internal combustion engine plant: Name of plant, date of construction, name plate generating capacity (kw) as originally constructed and as at present, also name plate capacity and date of installation of each addition to generating capacity. The original cost, where available, by Accounts 330 to 336, of each internal combustion engine production plant.

TRANSMISSION PLANT

Overhead transmission lines. For each overhead transmission line or for each group of transmission lines of the same voltage, same general type of construction and same number of circuits per structure: the voltage, length in miles, type of construction, kind and size of conductor. The original cost as of January 1, 1937, where available, by Accounts 340, 341, 342, 344, 345, 346, and 349, of each such line or group of lines.

Underground transmission lines. For each underground transmission line or for each group of transmission lines of the same voltage, same general type of construction and same number of circuits per structure: The voltage length in miles and type of construction. The original cost as of January 1, 1937, where available, by Accounts 340, 341, 342, 347, 348 and 349, of each such line or group of lines.

Transmission substations. For each substation: Function, capacity (kva), high and low voltages of transformers, description and capacity of special items of equipment.

DISTRIBUTION PLANT

Overhead system.[1] Number of pole and circuit miles, number of active meters or services connected (if available), descrip-

[1] If number of active meters or services is not available separately for overhead and underground systems, report totals.

tion and number of each type or pole or tower.

Underground system.[3] Number of circuit miles, number of active meters or services connected (if available), description of type of construction and general statement of any special construction problem.

Distribution substation. General description of number, capacity (kva), and high and low voltages of transformers.

Line transformers. Number and capacity.

Street lighting and signal systems. Description and number of each type of street lighting standard, number and wattage of lamps, and description of signal system.

GENERAL PLANT

Description of principal structures and improvements.

Number and type of transportation vehicles and appurtenant equipment.

Description of store, shop, and laboratory equipment.

Description of communication equipment.

Description of miscellaneous equipment.

§ 120.4 *Electric plant acquisition adjustment accounts.* (a) Debit amounts in an Electric Plant Acquisition Adjustments Account may be charged to Earned Surplus in whole or in part, or may be amortized over a reasonable period by charges to Miscellaneous Amortization without further order of the Commission;

(b) Should a utility desire to account for debit amounts in an Electric Plant Acquisition Adjustments Account in any manner different from that indicated in paragraph (a) it shall petition the Commission for authority to do so;

(c) Debit balances shall not be determined by application of credit amounts thereto;

(d) Credit amounts in an Electric Plant Acquisition Adjustments Account shall be accounted for as directed by the Commission;

(e) Where a utility subject to both Federal and State regulations, petitions the Commission in accordance with paragraph (b) of this section, the cooperative procedure heretofore adopted between Federal and State Commission shall be invoked;

(f) Disposition of amounts in Electric Plant Acquisition Adjustments Accounts, as above directed, is for accounting purposes only and such disposition shall not be construed as determining or controlling the consideration to be accorded these items in rate or other proceedings, nor shall anything contained herein prevent the Commission from subsequently ordering the amounts to be charged directly to surplus or from modifying the adopted amortization period.

PART 125—PRESERVATION OF RECORDS OF PUBLIC UTILITIES AND LICENSEES

Sec.

125.0 Promulgation.
125.1 General instructions.
125.2 Schedule of records and periods of retention.

AUTHORITY: §§ 125.0 to 125.2, inclusive, issued under sec. 301 (a), 309, 49 Stat. 854, 858; 16 U. S. C. 825 (a), 825h.

[3] To be shown on the original when tendered for filing with the Commission of every paper as specified in § 1.91.

§ 125.0 *Promulgation.* (a) This part is prescribed and promulgated as the regulations governing the preservation of records by public utilities subject to the jurisdiction of the Commission and by licensees holding licenses issued by the Commission, to the extent and in the manner set forth therein;

(b) This part shall, as to all public utilities now subject to the jurisdiction of the Commission and as to all present licensees, become effective as herein amended on January 1, 1948, and as to any public utility or licensee which may hereafter become subject to the jurisdiction of the Commission, these regulations shall become effective as of the date when such public utility becomes subject to the jurisdiction of the Commission or on the effective date of the license of such licensee.

§ 125.1 *General instructions.* (a) Section 125.2 shows the periods of time that designated accounts, records, and memoranda of public utilities and licensees must be preserved. All records not required to be preserved may be destroyed at any time, and all records required to be preserved for a specified period of time may be destroyed after the elapse of such period in the manner elected by each utility.

(b) Wherever the period specified herein for the retention of cash and other documents which may be involved in claims by or against the utility is shorter than the period specified in the statute of limitations of the State wherein the utility operates, the latter shall control.

(c) Voluminous detailed records, such as material requisitions and issues, time and labor distribution cards, etc., may be photographed and the films kept for the respective periods indicated in lieu of the original documents, but this rule shall not apply to cash and journal vouchers and similar important documents, although it does apply to the details in support thereof.

(d) Supervision over the destruction of records should be vested in an officer of the utility and that officer shall permanently keep a record, by classes and general description, of accounts, records, and memoranda destroyed, together with the respective dates of destruction.

(e) If any accounts, records, or memoranda, required to be kept for a period of 6 years or more, are destroyed accidentally by fire, flood, or other casualty, a statement shall be prepared and filed with the Commission listing, as far as possible, the records destroyed and describing the circumstances of destruction.

(f) The provisions of these regulations apply to all records which come into the possession of the accounting utility in connection with the acquisition of property, such as by purchase, consolidation, merger, etc.

(g) These regulations shall not be construed as requiring the keeping of accounts, records, or memoranda not required to be kept by other regulations, such as the uniform system of accounts, of the Commission.

CROSS REFERENCE: For uniform system of accounts of the Federal Power Commission under the Federal Power Act, see Subchapter C of this title.

(h) These regulations shall not be construed as excusing compliance with any other lawful requirement for the preservation of accounts, records, or memoranda for longer periods than those herein prescribed.

INDEX TO SCHEDULE OF RECORDS AND PERIODS OF RETENTION

Corporate and General

1. Capital stock records.
2. Bond records.
3. Securities authorizations from regulatory bodies.
4. Statements and reports filed with Securities and Exchange Commission.
5. Proxies and voting lists.
6. Minute books.
7. Titles, franchises, and licenses.
8. Permits.
9. Contracts and agreements.
10. General and subsidiary ledgers.
11. Journals.
12. Journal vouchers and journal entries.
13. Cash books.
14. Voucher registers.
15. Vouchers.
16. Accounts receivable.
17. Records of securities owned.
18. Insurance records.
19. Tax records.
20. Accountants' and auditors' reports.
21. Tabulating machine records.

Plant and Depreciation Reserve

22. Plant and construction ledgers.
23. Construction work orders.
24. Retirement work orders.
25. Plant additions and retirements not covered by work orders.
26. Appraisals and valuations.
27. Records of plant units.
28. Maps.
29. Engineering records.
30. Contracts and other agreements.
31. Reclassification of plant accounts.
32. Reserve for depreciation of electric plant.

Treasury

33. Statements of funds and deposits.
34. Deposits with banks and others.
35. Receipts and disbursements.

Revenue Accounting and Collecting

36. Customers' service applications and contracts.
37. Rate schedules.
38. Customers' guarantee deposits.
39. Meter reading sheets and records.
40. Maximum demand charts and demand meter record cards.
41. Miscellaneous billing data.
42. Revenue summaries.
43. Customers' ledgers and records used in lieu thereof.
44. Merchandise sales—accounting and collecting.
45. Collection reports and records.
46. Customers' account adjustments.
47. Uncollectible accounts and customers' credit records.

Pay Roll and Personnel Records

48. Pay roll records.
49. Assignments, attachments, and garnishments.
50. Personnel records.
51. Employees' welfare and pension records.
52. Instructions to employees and others.
53. Organization diagrams and charts.

Purchases and Stores

54. Purchases.
55. Material ledgers.
56. Materials and supplies received and issued.
57. Sales of scrap and materials and supplies.
58. Inventories of materials and supplies.

Operations

59. Production.
60. Transmission and distribution.
61. Customers' service.
62. Auxiliary and other operations.

Statistics

63. Financial, operating, and statistical reports regularly prepared in the course of business.
64. Reports to stockholders.
65. Reports to Federal and State regulatory commissions.
66. Miscellaneous statistical reports.
67. Tabulating cards.

Miscellaneous

68. Maintenance work orders and job orders.
69. Estimates of future operating expenditures.
70. Injuries and damages.
71. Correspondence.
72. Other miscellaneous records.
73. Duplicate accounts, records, and memoranda.

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§ 125.2 *Schedule of records and periods of retention. Schedule of records and periods of retention are:*

CORPORATE AND GENERAL

Description of records	*Period to be retained*
1. Capital stock records:	
(a) Capital stock ledgers	Permanently.
(b) Capital stock subscription accounts	3 years.
(c) Subscription notices and requests for allotment	Do.
(d) Stubs or similar records of capital stock certificates	Permanently.
(e) Stock transfer registers	Do.
(f) Papers pertaining to or supporting transfers of capital stock.	3 years.
(g) Canceled capital stock certificates or certificates of destruction thereof.	Permanently.
(h) Change of address notices of stockholders	Destroy at option after entries to records.
(i) Dividend notices and letters to stockholders (1 copy of each in connection with each dividend declaration).	Permanently.
(j) Dividend registers	6 years.
2. Bond records:	
(a) Registered bond ledgers	3 years after redemption.
(b) Bond subscription accounts	3 years.
(c) Subscription notices and requests for allotment	Do.
(d) Stubs or similar records of bonds issued	3 years after redemption.
(e) Papers pertaining to or supporting transfers of registered bonds	3 years.
(f) Records of interest coupons paid and unpaid	Destroy at option in compliance with note below.
(g) Canceled bonds and paid interest coupons NOTE: When any canceled bonds, receivers' certificates, notes, or interest coupons are destroyed a certificate of destruction giving full descriptive reference to the documents destroyed shall be made by the person or persons authorized to perform such destruction and shall be retained permanently by the utility. When documents represent debt secured by mortgage, the certificates of destruction shall also be authorized by a representative of the trustees acting in conjunction with the person or persons destroying the documents or shall have the trustees' acceptance thereon.	Do.
3. Authorizations from regulatory bodies for issuance of securities:	
(a) Copies of applications to regulatory bodies for authority to issue stocks, bonds, and other securities, including copies of exhibits in support of such applications.	Permanently.
(b) Official copies of opinions and orders of regulatory bodies granting authority to issue securities.	Do.

CORPORATE AND GENERAL—continued

Description of records	*Period to be retained*
3. Authorizations from regulatory bodies for issuance of securities—Continued	
(c) Reports filed with regulatory bodies in compliance with authorizations to issue securities. (Reports of sales of securities, of application of proceeds, etc.) File copies of such reports and supporting papers.	Permanently.
4. Copies of registration statements and other data filed with the Securities and Exchange Commission in connection with offerings of securities for sale to the public, or the listing of securities on exchanges, including supporting papers; also copies of periodic reports and supporting papers filed in compliance with either the Securities Act of 1933 or the Securities Exchange Act of 1934.	Do.
5. Proxies and voting lists:	
(a) Proxies of holders of voting securities	3 years.
(b) Lists of holders of voting securities represented at meetings.	6 years.
6. Minute books of stockholders', directors', and directors' committee meetings.	Permanently.
7. Titles, franchises, and licenses:	
(a) Deeds and other title papers (including abstracts of title and supporting data).	6 years after property is disposed of unless surrendered to transferee.
(b) Corporate charters or certificates of incorporation	Permanently.
(c) Franchises and certificates authorizing operations as a public utility.	Do.
(d) Licenses (including amendments thereof) granted by Federal or State authorities for construction and operation of dams, reservoirs, power houses, etc.	Do.
(e) Copies of formal orders of regulatory commissions served upon the utility.	Do.
8. Permits:	
(a) Permits and granted applications for the use of facilities of others.	6 years after expiration or cancelation.
(b) Copies of permits and applications granted others for the use of the utility's facilities.	Do.
(c) Applications for the use of facilities not granted and copies of such applications.	Destroy at option.
(d) Permits of a temporary nature from municipalities or others to perform specific work, such as permits to open streets and place poles, and copies of petitions for such permits.	Do.
9. Contracts and agreements. (See also item 30):	
(a) Service contracts, such as for management, accounting, and financial services.	See item 12 (b) (2) if they affect cost of plant; otherwise, 10 years after expiration or cancelation.
(b) Contracts with other electric utilities for the purchase, sale, or interchange of electric energy.	6 years after expiration or cancelation.
(c) Leases pertaining to rentals of property to or from others.	Do.
(d) Contracts and agreements with individual employees, labor unions, company unions, and other employee organizations relative to wage rates, hours, and similar matters.	Do.
(e) Contracts and agreements with employees and associated companies for the purchase or sale of the company's own securities.	Do.
(f) Memoranda clarifying or explaining provisions of contracts listed above.	For same periods as contracts to which they relate.

CORPORATE AND GENERAL—continued

Description of records	Period to be retained
9. Contracts and agreements. (See also item 30.)—Con.	
(g) Card or book records of contracts, leases, and agreements made, showing dates of expirations and of renewals, memoranda of receipts and payments under such contracts, etc.	For same periods as contracts to which they relate.
(h) Summaries and abstracts of contracts, leases, and agreements covered by items above.	Destroy at option.
10. General and subsidiary ledgers:	
(a) General ledgers and ledgers subsidiary or auxiliary thereto except customers' and stores ledgers provided for elsewhere.	Permanently.
(b) Indexes to general and subsidiary ledgers	Do.
(c) Trial balance sheets of general and subsidiary ledgers.	10 years.
11. Journals:	
General and subsidiary journals, including departmental and divisional journals.	Permanently.
12. Journal vouchers and journal entries:	
(a) General, departmental, divisional, and petty journal vouchers.	Do.
(b) Material and supplies disbursement and labor distribution records supporting journal vouchers:	
(1) Affecting operations and maintenance only	10 years.
(2) Affecting plant	10 years, if (a) accounting adjustments resulting from reclassification and original cost studies have been approved by the regulatory commissions having jurisdiction; and (b) continuing plant inventory records are maintained, or (c) chronological distributions appear in work order records or cost ledger; otherwise, permanently.
(c) Papers forming part of or necessary to explain journal vouchers except as covered by item 12 (b), above.	Permanently.
(d) Schedules for recurring journal entries	Destroy when superseded.
(e) Lists of standard journal entry numbers	Do.
NOTE: Daily time tickets and material issued tickets may be destroyed at option if the basic information contained thereon is transcribed to other records if such other records are retained in accordance with this instruction.	
13. Cash books:	
(a) Treasurers' and auditors' general cash books	Permanently.
(b) Cash books subsidiary or auxiliary to general cash books except those showing solely collections from customers.	Do.
(c) Subsidiary cash records showing solely customers' collections.	6 years.
(d) Other cash books of a memorandum nature	3 years.
14. Voucher registers:	
Voucher distribution registers	Permanently.
15. Vouchers:	
(a) Paid and canceled vouchers (1 copy) analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers.	Those relating to charges to plant, permanently; others, 10 years.

CORPORATE AND GENERAL—continued

Description of records	Period to be retained
15. Vouchers—Continued	
(b) Original bills and invoices for materials, services, etc., paid by vouchers and which should be attached thereto.	Those relating to charges to plant, permanently; others, 10 years.
(c) Paid checks and receipts for payments by voucher or otherwise.	6 years.
(d) Authorizations for the payment of specific vouchers	10 years.
(e) Lists of unaudited bills (accounts payable), lists of vouchers transmitted and memoranda regarding changes in unaudited bills.	Destroy at option.
(f) Voucher indexes	6 years.
16. Accounts receivable (see items 43 and 44 for accounts with customers for electric service and for merchandise sales):	
(a) Records of accounts receivable pertaining to sales of electric plant.	10 years.
(b) Record or register of accounts receivable and indexes thereto and summaries of distribution.	6 years.
(c) Accounting department copies of invoices issued and supporting papers which do not accompany the original invoices.	Do.
(d) Authorizations for charges including supporting papers.	Do.
(e) Periodic statements of unsettled accounts, except trial balances.	1 year.
(f) Schedule of invoices to be issued	Destroy at option.
17. Records of securities owned:	
Records of securities owned, in treasury, or with custodians.	6 years.
18. Insurance records:	
(a) Ledgers, cards, or other records of insurance policies in force, showing coverage, premiums paid, and expiration dates.	6 years after expiration of policies.
(b) Records of self-insurance against losses from fire, casualties, and damages to property of others or to persons.	6 years.
(c) Detailed schedules or spread sheets of monthly insurance charges to operating expenses and other accounts.	Do.
(d) Detailed schedules of monthly accruals for self-insurance.	Do.
(e) Insurance policies	6 years after expiration.
(f) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses and supporting papers.	6 years.
(g) Inspectors' reports and records of condition of property.	1 year after superseded.
(h) Reports of minor losses not covered by insurance or less than minimum amount collectible.	3 years.
(i) Insurance maps of property and structures erected thereon.	During life of property.
(j) Records and statements relating to insurance requirements.	Destroy at option.
19. Tax records:	
(a) Copies of schedules, returns, and supporting working papers to taxing authorities and records of appeals.	
(1) Federal income, excess profits, undistributed income, and capital stock taxes.	20 years.
(2) State income taxes	Do.
(3) Other taxes	Do.

CORPORATE AND GENERAL—continued

Description of records	Period to be retained
19. Tax records—Continued	
(b) Tax bills from taxing authorities and receipts for payment.	See item 15 (b).
(c) Summaries of taxes paid by classes of taxes and by location.	6 years.
(d) Summaries of taxes paid by taxing districts	Do.
(e) Schedules of monthly accruals by classes of taxes and supporting papers showing how estimates of taxes to be paid were determined.	Do.
(g) Restatements of schedules of taxes paid after giving effect to refunds and additional assessments.	Do.
20. Accountants' and auditors' reports:	
(a) Reports of examinations and audits by accountants and auditors not in the regular employ of the utility. (Including reports of public accounting firms and regulatory commission accountants.)	Permanently.
(b) Internal audit reports and working papers	3 years.
21. Tabulating machine records (not including billing machine records):	
(a) Tabulating or punched cards used in assembling figures to be posted to an account:	
(1) Where a printed sheet or tape showing voucher number, account number, and amount on each sheet is not preserved:	
Affecting operations and maintenance only	10 years.
Affecting plant	10 years, if (a) accounting adjustments resulting from reclassification and original cost studies have been approved by the regulatory commissions having jurisdiction; and (b) continuing plant inventory records are maintained; or (c) chronological distributions appear in work order records or cost ledger; otherwise, permanently.
(2) Where a printed sheet or tape described in (1) above is preserved.	Destroy at option of utility.
(b) Printed sheets or tapes showing the details and summaries of accounting data indicated on the punched cards:	
Affecting operations and maintenance only	10 years.
Affecting plant	10 years, if (a) accounting adjustments resulting from reclassification and original cost studies have been approved by the regulatory commissions having jurisdiction; and (b) continuing plant inventory records are maintained; or (c) chronological distributions appear in work order records or cost ledger; otherwise, permanently.

PLANT AND DEPRECIATION RESERVE

Description of records	Period to be retained
22. Plant and construction ledgers:	
(a) Ledgers of electric plant accounts, including land and other detailed ledgers, showing the cost of electric plant by classes.	Permanently.

PLANT AND DEPRECIATION RESERVE—continued

Description of records	Period to be retained
22. Plant and construction ledgers—Continued	
(b) Construction work in progress ledgers	Permanently.
23. Construction work orders and supplemental records:	
(a) Work order sheets to which are posted in summary form or in detail, the entries for labor, materials, and other charges for electric plant additions and the entries closing the work orders to electric plant in service at completion.	Do.
(b) Authorizations for expenditures for additions to electric plant, including memoranda showing the detailed estimates of cost and the basis therefor. (Including original and revised or subsequent authorizations.)	Relating to production plant, transmission lines, and transmission substations—6 years after plant has been retired. Other plant—10 years.
(c) Requisitions and registers of authorizations for electric plant expenditures.	Do.
(d) Completion or performance reports showing comparison between authorized estimates and actual expenditures for electric plant additions.	Do.
(e) Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours, etc., in connection with completed construction projects.	Permanently.
(f) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts.	Destroy at option.
24. Retirement work orders and supplemental records:	
(a) Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to electric plant accounts for cost of plant retired.	Permanently.
(b) Authorizations for retirement of electric plant, including memoranda showing the basis for determination of cost of plant to be retired and estimates of salvage and removal costs.	10 years.
(c) Registers of retirement work orders	Do.
25. Summary sheets, distribution sheets, reports, statements, and papers directly supporting debits and credits to electric plant accounts not covered by construction or retirement work orders and their supporting records.	Permanently.
26. Appraisals and valuations made of the utility's property and all records, reports, and data pertaining thereto.	Do.
27. Book or card records showing description, location, quantities, cost, etc., of physical units (or items) of electric plant owned.	Until record is superseded or 6 years after plant is retired, provided mortality data are retained.
28. Maps showing the location and physical characteristics of production, transmission, and distribution systems of the utility.	Until map is superseded or 6 years after plant is retired, provided mortality data are retained.
29. Engineering records in connection with construction projects:	
(a) Maps, diagrams, profiles, plans, photographs, records of engineering studies, and similar records in connection with proposed construction projects:	
(1) If construction of project results wholly or in part.	Until record is superseded or 6 years after plant is retired.
(2) If construction of project does not result	Destroy at option 6 years after completely accounting for expenses incurred.
30. Contracts and other agreements relating to electric plant:	
(a) Contracts relating to acquisition or sale of plant	Permanently.

PLANT AND DEPRECIATION RESERVE—continued

Description of records	Period to be retained
30. Contracts and other agreements relating to electric plant—Continued	
(b) Contracts and other agreements relating to services performed in connection with construction of electric plant of the utility (including contracts for the construction of plant by others for the utility and for supervision and engineering relating to construction work).	6 years after plant is retired.
31. Records pertaining to reclassifications of electric plant accounts to conform to prescribed systems of accounts, including supporting papers showing the bases for such reclassifications.	Permanently.
32. Records of reserve for depreciation of electric plant:	
(a) Detailed records or analysis sheets segregating the depreciation reserve according to functional classifications of plant.	Do.
(b) Records supporting computation of depreciation expense of electric plant, including such data as life and salvage studies.	Do.

TREASURY

33. Statements of funds and deposits:	
(a) Summaries and periodic statements of cash balances on hand and with depositories.	3 years.
(b) Statements of managers and agents' cash balances on hand and with depositories.	2 years.
(c) Authorizations for and statements of transfer of funds from one depository to another.	Do.
(d) Requisitions and receipts for funds furnished managers, agents, and others.	May be destroyed at option after funds have been returned or accounted for.
(e) Records of fidelity bonds of employees and others responsible for funds of the utility.	Until liability of bonding company has expired.
(f) Reports and estimates of funds required for general and special purposes.	2 years.
34. Records of deposits with banks and others:	
(a) Bank deposit books	1 year.
(b) Copies of bank deposit slips	Do.
(c) Advice of deposits made when information thereon is shown on other records which are retained.	Destroy at option.
(d) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit.	6 years.
(e) Bank reconcilement papers	1 year.
(f) Statements from banks of interest credits	3 years.
(g) Check stubs, registers, or other records of checks issued.	6 years.
(h) Correspondence and memoranda relating to the stopping of payment of bank checks and to the issuance of duplicate checks.	Do.
35. Records of receipts and disbursements:	
(a) Daily or other periodic statements of receipts or disbursements of funds.	3 years.
(b) Records or periodic statements of outstanding vouchers, checks, drafts, etc., issued and not presented.	2 years.
(c) Reports of managers and agents, showing working fund transactions, and summaries thereof.	3 years.
(d) Reports of revenue collections by field cashiers, pay stations, etc.	2 years.

REVENUE ACCOUNTING AND COLLECTING

Description of records	Period to be retained
36. Customers' service applications and contracts:	
(a) Applications for electric service for which contracts have been executed.	Destroy at option.
(b) Applications for electric service used in lieu of contracts.	1 year after service has been discontinued.
(c) Contracts and card files or other records thereof with customers for electric service. (See also item 9 (b).)	1 year after expiration or cancelation.
(d) Applications for electric service which were withdrawn by applicant or not granted by the utility.	1 year.
(e) Contracts or sales agreements with customers and others for sale of electric merchandise and appliances.	1 year after sales agreement is discharged.
(f) Contracts for lease of motors, transformers, and other equipment to customers, including receipts for same.	1 year after expiration of contract or return of equipment.
(g) Applications and contracts for extension of lines covered by refundable deposits or guarantees of revenue, also records pertaining to such contracts.	1 year after entire amount is refunded.
(h) Applications and contracts for extension of lines for which donations or contributions are made by customers or others.	Permanently.
37. Rate schedules:	
(a) General files of published rate sheets and schedules of electric service. (Including schedules suspended or superseded.)	Do.
(b) Divisional or local office copies of rate sheets and schedules of electric service.	1 year after expiration or cancelation.
38. Customers' guarantee deposits:	
(a) Customers' deposit ledgers or card records	6 years after refund.
(b) Customers' deposit certificate books	Do.
(c) Receipts for customers' deposits refunded	Do.
(d) Receipts for interest on customers' deposits	Do.
39. Meter reading sheets and records:	
(a) Superseded meter reading sheets	3 years after superseded or service has been discontinued.
(b) Meter reread sheets (special readings to check high or low consumption).	3 years.
(c) Customers' reading cards	Do.
(d) Connection and disconnection orders	Do.
(e) Superseded indexes to meter books	3 years after superseded or service has been discontinued.
40. Maximum demand charts and demand meter record cards.	6 years.
41. Miscellaneous billing data:	
(a) Connected load cards of customers	1 year after displaced or superseded.
(b) Records of residence room counts	Do.
(c) Billing department's copies of contracts with customers (in addition to contracts in general files).	Destroy at option after expiration.
(d) Service and inspection orders from which customers are charged and sundry charge advices.	3 years.
(e) Authorizations for charges under power contracts	1 year after expiration of contract.
(f) Standard billing sheets or schedules (showing computed bills of varying consumption according to rates).	Destroy at option.

REVENUE ACCOUNTING AND COLLECTING—continued

Description of records	Period to be retained
42. Revenue summaries:	
(a) Summaries of monthly operating revenues according to classes of service for entire electric utility.	6 years.
(b) Summaries of monthly operating revenues according to classes of service by towns, districts, or divisions. (Including summaries of forfeited discounts and penalties.)	Do.
43. Customers' ledgers and other records used in lieu thereof:	
(a) Customers' ledgers	Do.
(b) Records used in lieu of customers' ledgers, such as bill summaries, registers, bill stubs, etc.	Do.
(c) Copies of large power bills:	
If details are transcribed to ledgers covered by item (a) above.	Destroy at option.
If details are not transcribed to ledgers.	6 years.
(d) Trial balances of ledgers referred to above.	3 years.
(e) Indexes to customers' accounts.	6 years.
(f) Change of address notices.	Destroy at option.
(g) Cards and other records relating to forfeited discounts.	3 years.
(h) Special ledger records of customers exempt from taxes on electricity.	6 years.
44. Merchandise sales—Accounting and collecting:	
(a) Merchandise sales tickets (duplicates) and charge slips for work done.	Destroy at option after annual audit and 6 months after account is settled.
(b) Merchandise sales journals or registers and summaries of sales.	6 years.
(c) Merchandise ledgers and installment records.	3 years after completion of payments.
(d) Merchandise sales returns and adjustment tickets.	Destroy at option after annual audit and 6 months after account is settled.
(e) Cashiers' stubs for merchandise collections.	3 years.
(f) Cashiers' periodic reports and statements of collections on merchandise accounts.	Do.
(g) Records of monthly statements to customers	Destroy at option.
(h) Reports relating to status of merchandise accounts receivable.	1 year.
(i) Job orders and supporting details of charges to customers for work done.	3 years.
(j) Indexes and trial balances of merchandise ledgers	Do.
45. Collection reports and records:	
(a) Periodic reports, lists and summaries of collections of operating revenues by collectors, agents, and local or divisional or districts offices. (See item 35 (d).)	2 years.
(b) Bill stubs, copies of bills, collection slips, and other records pertaining to collections, summarized or detailed in daily or periodic cash reports.	1 year.
(c) Memorandum records of remittances from local or branch offices.	Do.
NOTE.—See item 34 pertaining to deposits of cash with banks. Item 34 applies to all bank accounts whether at general, local, or divisional offices.	
46. Customers' account adjustments:	
(a) Detailed records pertaining to adjustments of customers' accounts for overcharges, undercharges, and other errors, results of which have been transcribed to other records.	Do.

REVENUE ACCOUNTING AND COLLECTING—continued

Description of records	Period to be retained
46. Customers' account adjustments—Continued	
(b) Detailed records of high-bill complaints whether or not resulting in adjustments to customers' accounts.	1 year.
47. Uncollectible accounts and customers' credit records:	
(a) Records of ratings, credit classifications, and investigations of customers.	Destroy at option.
(b) Ledger accounts and supporting details of customers' accounts considered to be uncollectible.	For period legally collectible.
(c) Reports and statements showing age and status of customers' accounts.	1 year.
(d) Data on unpaid final bills	Do.
(e) Authorizations for writing off customers' accounts	6 years.
PAY ROLL AND PERSONNEL RECORDS	
48. Pay roll records:	
(a) Pay roll sheets or registers of payments of salaries and wages to individual officers and employees. (See item (k) below for pension or annuity pay rolls and item 23 (a) for construction pay rolls.)	10 years.
(b) Records showing the distribution of salaries and wages paid to officers and employees for each monthly, semimonthly, or weekly pay roll period and summaries or recapitulation statements of such distribution.	See item 12 (b).
(c) Time tickets, time sheets, time books, time cards, workmen's reports and other records showing hours worked, description of work and accounts to be charged.	Do.
(d) Paid checks, receipts for wages paid in cash, and other evidences of payments for services rendered by employees.	3 years.
(e) Receipts for pay rolls and pay checks delivered to paymasters or other employees for distribution.	Destroy at option.
(f) Applications and authorizations for changes in wage and salary rates, summaries and reports of changes in pay rolls, and similar records.	3 years.
(g) Applications for pay roll changes not authorized.	Destroy at option.
(h) Pay roll authorizations and records of authorized positions.	3 years.
(i) Records of deductions from pay rolls for social security taxes.	4 years.
(j) Comparative or analytical statements of pay rolls.	6 years.
(k) Pension or annuity pay rolls.	10 years.
49. Assignments, attachments, and garnishments:	
(a) Record of assignments, attachments, and garnishments of employees' salaries, including files of notices, etc., pertaining thereto.	3 years.
(b) Minors' salary releases.	Destroy at option.
50. Personnel records:	
(a) Employees' service records, attendance, length of service, and other pertinent data.	3 years after termination of employment.
(b) Applications for employment, requests for medical examination, medical examiner's report, photographs and other identification records, and other miscellaneous records pertaining to the hiring of employees.	Destroy at option.
51. Employees' welfare and pension records:	
(a) Records pertaining to employees' recreational, educational, hospital, benefit, accident prevention, and similar activities.	6 years.
(b) Detailed records showing computations of accruals for pension liabilities.	Permanently.

PAY ROLL AND PERSONNEL RECORDS—continued

Description of records	Period to be retained
52. Instructions to employees and others:	
(a) Bulletins or memoranda of general instructions to employees pertaining to accounting, engineering, operating, maintenance, or construction methods and procedure.	Permanently for major broad changes in accounting practices; for other bulletins, memoranda, or general instructions, 6 years after expiration or supersession.
(b) Notices to employees on matters of discipline, deportment, and other similar subjects. NOTE.—If copies of instructions covered by (a) above are kept in the general files of the department in which the complete official file is maintained, other copies in the various departments may be destroyed after expiration or cancelation.	Destroy at option.
53. Organization diagrams and charts.	Do.
PURCHASES AND STORES	
54. Purchases:	
(a) Advices or requisitions from storekeeper and others for the purchase of materials and supplies or services.	Do.
(b) Bids received from vendors in connection with the purchases of materials and supplies.	3 years.
(c) Purchasing department copy of purchase orders and specifications of materials ordered.	6 years.
(d) Contracts for the purchase of materials and supplies:	
(1) Contracts for materials used directly in construction.	25 years, except that those relating to the construction of licensed projects, or additions or betterments thereto, for which the Commission has not determined the actual legitimate original cost, shall be retained 25 years and until such cost has been determined.
(2) Contracts for other material	6 years.
(e) Purchasing department copies of invoices for materials and supplies. (See item 15 (b) for original invoices.)	Destroy at option.
(f) Registers or similar records of invoices	6 years.
(g) Price records or indexes of purchases	Destroy at option.
(h) Advices from vendors acknowledging receipt of orders for materials and supplies, notices of shipment, packing slips, and copies of bills of lading.	Do.
(i) Receipts or delivery tickets issued for materials and supplies received in installments and subsequently surrended with aid and in support of invoices or bills covering complete purchases.	Do.
(j) Demurrage or car records showing periods freight cars are held on company sidings.	Do.
(k) Copies of notices to vendors for materials and supplies returned for credit or repair.	Do.
(l) Lists or records of invoices transmitted to or from storekeepers.	Do.
(m) Records and reports used for checking and tracing materials and supplies covered by invoices provided for in item (e) above.	Do.
55. Material ledgers:	
(a) Ledger sheets and card records of materials and supplies received, issued, and on hand.	See item 12 (b).

PURCHASES AND STORES—continued

Description of records	Period to be retained
55. Material ledgers—Continued	
(b) Statements of materials and supplies on hand, per ledgers.	3 years.
56. Materials and supplies received and issued:	
(a) Records and reports pertaining to receipt of materials and supplies.	Do.
(b) Records of inspecting and testing materials and supplies.	Destroy at option.
(c) Records showing the detailed distribution of materials and supplies issued during accounting periods.	See item 12 (b).
(d) Material disbursement tickets showing quantities, unit prices, and accounts to be charged for materials and supplies issued from stores for use.	Do.
(e) Materials returned credit slips, showing details of materials returned to stock.	Do.
(f) Requisitions and receipts for materials and supplies issued, the details of the issues being set forth in the material disbursement tickets.	Destroy at option.
(g) Records and reports of materials and supplies transferred from one department, storeroom, or division to another.	3 years.
(h) Records and reports of materials recovered and returned to stock if transcribed to records covered by item (c) above.	Do.
(i) Records and reports of materials and supplies issued to individuals or gangs of employees to be accounted for when used or returned to stock.	After being accounted for.
(j) Minor records and reports pertaining to materials and supplies not involving costs or final disposition, such as reports of unfilled requisitions, authorizations for additions to stock, and similar records; also, storeroom copies of purchase orders and price records, other copies being retained in files of purchasing department.	Destroy at option.
57. Records of sales of scrap and materials and supplies:	
(a) Authorizations for sale of scrap and materials and supplies.	6 years.
(b) Contracts for sale of scrap and materials and supplies.	Do.
(c) Memoranda pertaining to sale of scrap and materials and supplies.	Do.
58. Inventories of materials and supplies:	
(a) General inventories of materials and supplies on hand with records of adjustments of accounts required to bring stores records into agreement with physical inventories.	3 years.
(b) Stock cards, inventory cards, and other detailed records pertaining to the taking of inventories if abstracted into records covered by (a) above.	Destroy at option.
(c) Minor inventories of materials and supplies on hand if not reflected in adjustments of accounts.	Do.
OPERATIONS	
59. Production:	
(a) Boiler room, condenser room, turbine room, and pump room logs, including supporting data.	3 years.
(b) Boiler room and turbine room reports of equipment in service and performance.	Do.
(c) Boiler-tube failure report	Do.
(d) Generation and output logs with supporting data	6 years.

OPERATIONS—continued

Description of records	Period to be retained
59. Production—Continued	
(e) Station and system generation reports	25 years, except that those relating to licensed projects, or additions or betterments thereto, for which the Commission has not determined the actual legitimate original cost, shall be retained 25 years and until such cost has been determined.
(f) Generating high-tension and low-tension load records.	6 years.
(g) Oil and waste reports	3 years.
(h) Loan curves, temperature logs, coal and water logs	Do.
(i) Gage-reading reports	3 years, except river flow data collected in connection with hydro-operation shall be retained permanently.
(j) Recording instrument charts	3 years.
(k) Load dispatcher's and station permits	Do.
60. Transmission and distribution:	
(a) Substation and transmission line logs	6 years.
(b) System operator's daily logs and reports of operation.	6 years.
(c) Storage battery and other equipment logs and records.	3 years.
(d) Interruption logs and reports	6 years.
(e) Records of substation general inspections and operation tests.	3 years.
(f) Apparatus failure reports	6 years.
(g) Line-trouble reports and records	3 years.
(h) Lightning and storm data	6 years.
(i) Insulator test records	3 years.
(j) Reports on inspections and repairs of all street openings.	6 years.
(k) Records of meter tests	Until superseding test but not less than 2 years.
(l) Meter shop reports (monthly reports summarizing tests, repairs, etc.).	6 years.
(m) Meter history records	For life of meter.
(n) Transformer history records	For life of transformer.
(o) Records of transformer inspections, oil tests, etc	6 years.
(p) Pole, tower, structure, equipment, and other history records.	For life of equipment.
NOTE: Life or mortality study data for depreciation purposes shall be retained permanently.	
61. Customers' service:	
(a) Reports of inspections of customers' premises	3 years.
(b) Records and reports of customers' service complaints.	Do.
(c) Surveys of customers' premises to determine type of service and equipment to be installed.	Do.
(d) Records of installed customers' appliances	Do.
62. Records of auxiliary and other operations: Records of operations other than electric utility operations.	For the same periods as prescribed in these regulations for similar records pertaining to electric operations.

STATISTICS

Description of records	Period to be retained
63. Annual, quarterly, monthly, or other periodic financial, operating, and statistical reports regularly prepared in the course of business to show the results of electric operations and the financial condition of the utility, including supporting detailed reports and statements essential to verification of the main reports.	Annual reports permanently; other reports 6 years.
64. Reports to stockholders:	
(a) Annual reports or statements to stockholders, file copies of and supporting papers.	Permanently.
(b) Written acknowledgments of receipts of reports to stockholders and written requests for copies of such reports.	Destroy at option.
65. Reports to Federal and State regulatory commissions:	
(a) Annual financial, operating, and statistical reports, file copies of, and supporting papers.	Permanently.
(b) Monthly and quarterly reports of operating revenues, expenses, and statistics, file copies of, and supporting papers.	3 years after current year.
(c) Special or periodic reports, including supporting papers, on the following subjects:	
(1) Transactions with associated companies	6 years.
(2) Budget of expenditures	Do.
(3) Accidents	Do.
(4) Employees and wages	Do.
(5) Loans to officers and employees	3 years after fully paid.
(6) Issues of securities. (See items 3 (c) and 4.)	Permanently.
(7) Purchases and sales of electric properties	Do.
(8) Plant changes—units added and retired	Do.
(9) Service interruptions	6 years.
(10) Other matters	Do.
66. Miscellaneous statistical reports, statements, and summaries (not covered elsewhere in these regulations) prepared for administrative or operating purposes only and not used as the basis for entries to the accounts of the utility.	Destroy at option.
67. Tabulating cards used only in compilation of statistics, when the results are transcribed to other records covered by these regulations. (See item 21.)	Destroy at option after appropriate summaries have been made.

MISCELLANEOUS

68. Maintenance work orders and job orders:	
(a) Authorizations for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred.	6 years.
(b) Work order sheets to which are posted in detail the entries for labor, material, and other charges in connection with maintenance and other work pertaining to electric operations.	Do.
(c) Summaries of expenditures on maintenance work orders and job orders and clearances to operating and other accounts (exclusive of plant accounts).	Do.
69. Detailed estimates (and authorizations) of future annual or monthly expenditures to be incurred for operations, maintenance, and taxes by the utility or operating departments, districts, or divisions, including revisions of such estimates and memoranda showing reasons for revisions; also records showing comparison of actual expenses with estimated.	3 years.

MISCELLANEOUS—continued

Description of records	Period to be retained
70. Injuries and damages:	
(a) Claim registers, card or book indexes, and similar records in connection with claims presented against the utility in connection with accidents resulting in damages to the property of others or in personal injuries to employees and others.	6 years after settlement or rejection.
(b) Papers, reports, statements of witnesses, etc., relating to individual claims against the utility necessary to the support or rejection of such claims.	6 years after settlement or rejection.
(c) Other papers, reports, or statements, pertaining to accidents, resulting in property damages or personal injuries, not necessary to the support or rejection of claims.	Destroy at option.
(d) Detailed schedules or spread sheets of payments to others for personal injuries or for property damages.	6 years.
(e) Detailed schedules of periodic accruals to reserves for injuries and damages or for self-insurance.	Do.
71. Correspondence:	
(a) Correspondence and indexes thereto relating to subjects covered by other items of these regulations.	For the period prescribed for the item to which it relates where necessary to a proper explanation of same.
(b) Stenographers' notebooks and dictaphone or other mechanical device records.	Destroy at option.
(c) Mailing lists of prospects for appliance sales, securities, etc.	Do.
72. Other miscellaneous records:	
(a) Copies of advertisements of the utility in newspapers, magazines, and other publications, including records thereof.	6 years.
(b) Receipts and records pertaining to delivery of articles to employees, such as badges, keys, and material receipt books.	Destroy at option after accounted for.
(c) Records of building space occupied by various departments of the utility.	6 years.
(d) Indexes of forms used by company	Do.
(e) Transmittal lists or forms used for indicating papers and records forwarded from one department to another, provided such lists do not contain data affecting the accounts of the company.	Destroy at option.
73. Duplicate accounts, records, and memoranda: Duplicate copies of accounts, records, and memoranda listed in these regulations if all information on such duplicates is contained in the originals or other copies retained, and if such duplicates are not specifically provided for in these regulations.	Do.

Subchapter D—Approved Forms, Federal Power Act

PART 131—FORMS

Sec.

131.1 Certificate of service.
131.2 Application for license.
131.3 Certificate of organization.
131.4 Certificate of exhibits.
131.5 Application for license for transmission lines only.
131.6 Application for license for minor project having installed capacity of 100 horsepower or less.
131.10 Application for preliminary permit.
131.20 Application for approval of transfer of license.
131.30 Application for amendment of license.
131.40 Balance sheet.
131.41 Classification of utility plant.
131.42 Comparative income statement.
131.43 Report of securities issued.
131.50 Certificate of notification.
131.51 Notice of succession in ownership or operation.
131.52 Certificate of concurrence.
131.53 Notice of cancellation.
131.60 Verification of application.
131.70 Form of application by municipalities for exemption from payment of annual charges.

AUTHORITY: §§ 131.1 to 131.70, inclusive, issued under secs. 301, 308, 309, 49 Stat. 854, 858; 16 U. S. C. 825 (a), (b), (c), 825g, 825h.

§ 131.1 *Certificate of service.*[1] (See § 1.17 of this chapter.)

[One original, no copies required]

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding, by delivering a copy thereof in person to _____
(Name of person served)
and/or by mailing a copy thereof properly addressed to _____,
(Names of persons served by mail)
dated at _____ this _____ day of _____, 19____.

_____
(Signature)

Of counsel for

_____,

_____.

§ 131.2 *Application for license.* (See §§ 4.30–4.42 of this chapter.)

(This application and all accompanying documents shall be submitted in quadruplicate, together with one additional copy for each interested State commission)

[1] To be shown on the original when tendered for filing with the Commission of every paper as specified in § 1.17.

BEFORE THE FEDERAL POWER COMMISSION

APPLICATION FOR LICENSE

1. _____ a { citizen, association of citizens, corporation, municipality (omit all but one) }
(The full name of applicant)

*organized under the laws of the State of _____, and having its office and principal place of business at _____, in the State of _____, *(omit part between asterisks if a citizen) (in pursuance of a preliminary permit issued to the applicant on the _____ day of _____, 19____), hereby makes application to the Federal Power Commission for a license to authorize the construction, operation, and maintenance of certain project works fully described herein.

2. The name, title, and post-office address of the person to whom correspondence in regard to this application shall be addressed is as follows:

_____

_____

3. The applicant is a corporation and is organized under the following laws (omit if inapplicable):

_____

_____

4. The measure of control or ownership exercised by the applicant in any other organization or over applicant by any other organization is as follows:

_____

_____

5. The applicant operates and/or proposes to operate in the following States:

_____

_____

6. A concise general description of the project and the principal project works is as follows:

(Give the name or other designation and a brief description of the principal project works, disregarding such of the following items (a), (b), (c), and (d) as may not be applicable.)

(a) Dams and reservoirs _____

_____

(b) Water conduits _____

_____

_____

(c) Power houses, substations, switchyards _____

_____

(d) Transmission lines _____

_____

7. The location of the project applied for is as follows:

(a) In the State of _____

(b) In the county of _____

(c) On the following-named stream _____ carrying commerce to the following extent:

_____

(d) In the region of the following-named cities and towns:

_____

8. Lands of the United States which will be affected are located in: _____

_____

(State whether in public domain, national forests, Indian reservations, or special reservations, giving the names of the forests or reservations.)

9. The proposed scheme of development for the project is as follows:

(Here also give an estimate of the power available for 90 percent of the time, the proposed installed capacities, both initial and ultimate, and a general statement as to plans for future development.)

10. The proposed use or market for the power to be developed is as follows:
[See § 4.40 (i).]

---

11. The location, a brief description, and capacity of all power plants or other electric facilities owned or operated by the applicant, the market supplied thereby, and the relation thereof to the project applied for, are briefly described as follows:

---

12. The following exhibits are filed herewith and are hereby made a part of this application:
(Give each exhibit a designation and brief description, as exhibit A, certified copy of articles of incorporation, etc.; exhibit B, certified copy of resolutions of stockholders and/or directors, etc.)
Exhibit----------
Exhibit----------
Exhibit----------

IN WITNESS WHEREOF the applicant has caused its name to be hereunto signed by ---------- its ----------
(Name) (Title—
---------- and its corporate
(chief executive officer)
seal to be hereto affixed by ----------
(Name)
its ----------
(Title—
---------- thereunto duly author-
custodian of seal)
ized, this ---------- day of ----------, 19--. (Modify this paragraph if applicant is a citizen.)

(Name of applicant)
By ----------

Attest:

(Secretary)

VERIFICATION

State of ----------
County of ----------, ss:
ss:
---------- being first duly sworn deposes and says: That he is the
---
(Title of person signing application)
of the ----------,
(Full name of applicant)
the applicant for a license, that he has read the foregoing application and knows the contents thereof; that the same are true to the best of his knowledge and belief.

(Signature)
Subscribed and sworn to before me this ------ day of ----------, 19--.
[SEAL] ----------
(Notary Public)

(If the applicant is an individual, or an association of individuals, proof of citizenship is required. Such proof may be made by affidavit in the following form:)
State of ----------
County of ----------, ss:
---------- and ----------
being duly sworn, each for himself, says he is a citizen of the United States of America.

Subscribed and sworn to before me this ------ day of ----------, 19--.
[SEAL] ----------
(Notary Public)

§ 131.3 *Certificate of organization.* (See § 4.41, Ex. A, and §§ 4.80–4.86 of this chapter).

(To be submitted in quadruplicate)

I, ---------- secretary of
(Name)
the ---------- do hereby certify that the organization of said corporation has been completed; and that the corporation is authorized to proceed with the project applied for according to the existing laws of the State of ----------.

I further certify that attached hereto is a true copy of the by-laws with all amendments to date, and that the following is a true list of the principal officers and of the directors of the said corporation, with the full name and official designation of each:

(Here insert the full name, address, and official designation of each principal officer and director.)

Witness my hand and the seal of the corporation this ------ day of ----------, 19----.

(Secretary)
[SEAL]

§ 131.4 *Certificate of exhibits.* (See §§ 4.30–4.86 of this chapter.)

This map (these estimates, this copy of notice, etc.) is a part of the application for preliminary permit (license) made by the undersigned this ---- day of ----------, 19----.

(Name of applicant)
By ----------

§ 131.5 *Application for license for transmission lines only.* (See §§ 4.70–4.71 of this chapter.)

(This application and all accompanying documents shall be submitted in quadruplicate, together with one additional conformed copy for each interested State commission)

BEFORE THE FEDERAL POWER COMMISSION

APPLICATION FOR A LICENSE FOR A PROJECT INVOLVING TRANSMISSION LINES ONLY

1. ---------- a {citizen / association of citizens / corporation / municipality}
(The full name of applicant)
organized under the laws of ----------, hereby make -- application to the Federal Power Commission for a license to authorize the construction, operation, and maintenance on lands of the United States of a transmission line fully described as follows:

---

2. The location of the proposed transmission line is as follows:
(a) In the State of ----------
(b) In the county of ----------
(c) On (public lands) (lands within ---------- National Forest) (lands within ---------- Indian Reservation).
(d)[1] Connected with Project No. ----, for which license has been issued (application has been made.)

3. The electrical energy to be transmitted will be generated by water (fuel) power and used for the following purposes:

---

4. The name, title, and post-office address of the person to whom correspondence in regard to this application shall be addressed is as follows:

---

5. The following exhibits are filed herewith and are hereby made a part of this application:
Exhibit----------
Exhibit----------

[1] If the transmission line is connected directly with a project for which license has been issued, the Commission may require that it be added to the former license by amendment.

In witness whereof, the applicant has caused its name to be hereunto signed by
---
(Name)
its ----------
(Title—chief executive officer)
and its corporate seal to be hereto affixed by

(Name)
its ----------
(Title—custodian of seal)
thereunto duly authorized; this ----------
day of----------, 19----.
(Modify this paragraph if applicant is a citizen.)

(Name of applicant)
By----------

Attest:

(Secretary)
(Verification shall be in accordance with § 131.2 hereof.)

§ 131.6 *Application for license for minor project having installed capacity of 100 horsepower or less.* (See § 4.60 of this chapter.)

(1) Full name of applicant----------

(a citizen—an association of citizens—a corporation) (strike out all but one) whose post office address is----------
hereby makes application to the Federal Power Commission for a license to authorize construction, operation and maintenance of certain project works fully described herein.

(If a corporation, report State of incorporation and location of principal place of business. Corporations, municipal or private, and associations, must give name and address of person who is authorized to act as agent and consent to accept service upon such agent as equivalent to service upon applicant.)

(2) A concise general description of the project and of the principal project works is as follows:

(Give the name or other designation of the project and disregard such of the following items as are not applicable. Give approximate size and material of which dam, conduits, flumes, pipes and powerhouse are constructed, estimated head to be developed, estimated flow available in stream, proposed flow through plant, and approximate capacity of waterwheel and generator. Unless satisfactory reasons are given to the contrary, the project boundary shall be at least 10 feet (horizontal measurement) from the high water line of reservoirs, on each side of the center line of conduits and on each side of the powerhouse; and at least 20 feet (horizontal measurement) from the center line and ends of dams and from the center line of transmission lines.)

(a) Dams and reservoirs----------
(b) Water conduits, flumes or pipes----------
(c) Powerhouse ----------
(d) Generator (installed capacity)----------
kw; waterwheel---------- (hp)
(e) Transmission, distribution and telephone lines ----------
(f) Other facilities which are part of project ----------

(3) The project is located in the State of----------, County of----------, on the---------- stream, near the Town of----------, in the---------- National Forest, as shown on the map submitted herewith as Exhibit K, which map is hereby made a part of this application.

(4) The lands of the United States which will be affected are:

(a) Surveyed land in public land survey: (Sections and subdivisions thereof; township, range, principal meridian) ----------
(b) Unsurveyed land in public-land States: (Estimated location by sections and subdivisions thereof; township, range, principal meridian) ----------

(c) If not in a public-land State: (Distance and general direction from a city, town or other fixed monument or physical feature delineated on a map of a scale of 1:500,000 or 1:1,000,000) _____

(5) The following project facilities are located in whole or in part on lands of the United States (dam, reservoir, etc.).

(6) What State water or other permits have been obtained authorizing the construction, operation and maintenance of the proposed project?

(7) The project will produce power for use in (tourist camp, mine, farm, etc., for domestic, industrial or other specified use, by pumps, cooking, heating, etc.) _____ Of the power output, _____ percent will be sold to _____ and _____ percent will be used by the applicant.

(8) It is desired to begin construction of the project within _____ months. It is estimated that construction will be carried on during _____ months and that operation will be started within _____ months of completion of project construction.

(9) The applicant hereby designates _____ _____ whose address is _____ as its agent and agrees that service upon such agent shall constitute full service upon it for all purposes in connection with any license issued pursuant to this application. (This is to be used only by associations or corporations.)

In witness whereof, the applicant has signed this application on the _____ day of _____, 194__.

By _____
(Name of applicant)

By _____
(If applicant is an association)

EVIDENCE OF CITIZENSHIP [1]

(To be used where applicant is an association of citizens and with minor changes where applicant is an individual)

STATE OF
County of _____, *ss:*

_____ and _____, being duly sworn, each for himself, deposes and says that he is a citizen of the United States of America, and that all of the members of said Association have signed this affidavit.

_____
_____
_____

Subscribed and sworn to before me, a notary public of the State of _____ this _____ day of _____, 194__.

[SEAL] _____
Notary Public

NOTE: Order 106, June 9, 1943, effective July 1, 1943, 8 F. R. 8050, prescribed the following requirements for the project map to be filed as Exhibit K:

There shall be submitted pursuant to §§ 4.60 and 131.6 with each application for license for a minor project having installed water-wheel capacity of 100 horsepower or less, as Exhibit K, a map showing the location of all essential project works (dams, reservoirs, conduits, powerhouses, tailraces and transmission lines), the portion of the stream developed, and the entire project area including all Government and privately owned lands affected, indicating state, county, meridian, township, range, section and the smallest legal subdivision or numbered lot or tract. Exhibit K shall conform to the following specifications and shall show the following information:

(1) It shall be an ink drawing on tracing linen, not smaller than 8 inches by 10½ inches, accompanied by three prints thereof with an appropriate scale of one inch equals not more than 1,000 feet.

(2) The project boundary may be stated separately for each facility, or shown on the map, giving the number of feet on each side of the center line of the conduits, powerhouse unit (or units), tailrace, and transmission lines. For reservoirs, show on the map or state the project boundary as at least 10 feet horizontal measurement outside of a contour established by the highest point on the dam or abutment. The distances of the project boundary from the center lines need not be identical on both sides of the center lines of the structures nor for all parts of the project, and, in the vicinity of the powerhouse, they should be large enough to include all necessary project works. Unequal offsets or changes in offsets with points of change should be definitely described on the map. The project area and boundary in the vicinity of the powerhouse should, if necessary for clarity, be shown in an insert sketch to a larger scale than that used for the rest of the project works.

(3) The map shall show the ownership, whether Government or private, for each parcel of land affected by the project. The map shall also indicate whether or not the affected Government land is included in any reservation such as a National Forest, Indian reservation, etc.

(4) If practicable, there shall be shown one or more ties by distance and bearing to established corners of the public land survey from a definite point or points on the project works which point or points can be identified on the ground.

(5) If the project affects unsurveyed Government lands, the protraction of township and section lines shall be shown; such protractions, whenever available, to be those recognized by the agency of the United States having jurisdiction over the lands.

(6) If the project affects Government lands not in the public-land State, give the distance and general direction from a city, town or other fixed monument or physical feature delineated on a map of a scale of 1:500,000 or 1:1,000,000.

§ 131.10 *Application for preliminary permit.* (See §§ 4.80–4.86 of this chapter.)

(This application and all accompanying documents shall be submitted in quadruplicate together with one additional copy for each interested State commission.)

BEFORE THE FEDERAL POWER COMMISSION

APPLICATION FOR PRELIMINARY PERMIT

1. _____ a {citizen / association of citizens / corporation / municipality}
(Full name of applicant)

organized under the laws of the State of _____ and having its office and principal place of business at _____ in the State of _____ being desirous of obtaining a license under the Federal Power Act, hereby makes application to the Federal Power Commission for a preliminary permit for _____ months, for the project described herein. This application is made in order that the applicant may secure and maintain priority for a license under the Federal Power Act while procuring data and performing the acts necessary to perfect an application for such license.

2. The name, title, and post-office address of the person to whom correspondence in regard to this application shall be addressed is as follows:

_____
_____

3. The applicant is a corporation and is organized under the following laws:

_____
_____

4. The measure of control or ownership exercised by or over the applicant in any other organization, is as follows:

_____
_____

5. The applicant proposes to operate in the following area:

_____
_____

6. The location of the project applied for is as follows:

(a) In the State of _____
(b) In the county of _____
(c) On the following-named stream _____ _____ carrying commerce to the following extent:

_____
_____

(d) In the region of the following-named cities and towns:

_____
_____

7. Lands of the United States which will be affected are located in _____

_____

(State whether in public domain, national forests, Indian reservations, or special reservations, giving the names of the forests or reservations.)

8. The proposed scheme of development for the project is as follows:

_____
_____

(Here give a concise general description of the project including an estimate of the power available 90 percent of the time and the proposed installed capacity.)

9. The proposed use or market for the power to be developed is as follows:

_____
_____

10. The location, a brief description, and capacity of all power plants owned or operated by the applicant, the markets supplied thereby, and the relation thereof to the project applied for are briefly described as follows:

_____
_____

11. The following exhibits are filed herewith and are hereby made a part of this application:

(Give each exhibit a designation and brief description, as Exhibit A, certified copy of articles of incorporation, etc.; Exhibit B, certified copy of resolutions of stockholders and/or directors, etc.)

Exhibit _____
Exhibit _____
Exhibit _____

In witness whereof the applicant has caused its name to be hereunto signed by _____ its _____
(Title—chief executive officer)

and its corporate seal to be hereto affixed by _____ its _____
(Name) (Title—custodian of seal)

thereunto duly authorized, this _____ day of _____, 19____.

(Modify this paragraph if applicant is a citizen.)

_____
(Name of applicant)

By _____
_____

Attest:

_____
(Secretary)

VERIFICATION

State of _____ ss.
County of _____

_____ being first duly sworn, deposes and says: That he is the _____
(Title of person signing application) of the _____ (Full name of applicant) the applicant for a preliminary permit, that he has read the foregoing application and knows the contents thereof;

[1] If applicant is an individual, prepare affidavit accordingly, using only appropriate portion of above form. If applicant is an association, each member must be a citizen and sign the affidavit.

that the same are true to the best of his knowledge and belief.

(Signature)

Subscribed and sworn to before me this ---- day of ----, 19----.

[SEAL] ---
(Notary public)

(If the applicant is an individual, or an association of individuals, proof of citizenship is required. Such proof may be made by affidavit in the following form:)

State of ----
County of ----, ss.

---- and ----
being duly sworn, each for himself, says that he is a citizen of the United States of America.

Subscribed and sworn to before me this ---- day of ----, 19----.

[SEAL] ---
(Notary public)

§ 131.20 *Application for approval of transfer of license.* (See §§ 9.1–9.10 of this chapter.)

(This application and all accompanying documents shall be submitted in quadruplicate, together with one additional copy for each interested State commission)

BEFORE THE FEDERAL POWER COMMISSION

APPLICATION FOR APPROVAL OF TRANSFER OF LICENSE

(1) ----, licensee under the license for Project No. ----, issued by the Commission on ----,
(Month, day, year)
and

(2) ----, (hereinafter referred to as the Transferee).

(3) Hereby jointly and severally apply for the written approval by the Federal Power Commission of the transfer of the aforesaid license from the transferor to the transferee and request that the instrument of such approval by the Commission be made effective as of the date of conveyance of the project properties; and in support thereof show the Commission as follows:

(4) The said transferee is:

(a)[1] A citizen of the United States, whereof proof is submitted herewith as exhibit A, which is hereby incorporated herein and made a part hereof;

(b)[1] An association of citizens under articles of association, a certified copy of which as now in effect is attached hereto as exhibit A and hereby incorporated herein and made a part hereof;

(c)[1] A municipality organized under the following statutes: ----, proof of such organization being submitted herewith as exhibits A–1, A–2, etc., which is [are] hereby incorporated herein and made a part hereof;

(d)[2] A ----
(e. g., private, nonprofit, etc.)
corporation, organized under the laws of the State of ----, and domesticated in the States of ----; certified copies of its charter or certificate of incorporation, articles of incorporation, corporate by-laws, and certificates of authority to do business, with all amendments of each to date, being submitted herewith as exhibits A–1, A–2, etc., said exhibits being hereby incorporated herein and made a part hereof;

(5) The transferee submits as [partial] evidence of its compliance with all applicable State laws as required by section 9 (b) of the Federal Power Act ----
---
submitted herewith as exhibits B–1, B–2, etc., and proposes to complete its showing of such compliance by submitting ----
---
to be submitted as exhibits B–3, B–4, etc., at the time it submits proof of the conveyance to it of the project properties as hereinafter provided for;[2]

(6) The transferee will submit certified copies of all instruments of conveyance whereby title to the project properties is conveyed to it, upon the completion of such conveyance, if and when the Commission shall have authorized the giving of its approval to the proposed transfer;

(7) If and when the Commission shall have authorized the giving of its approval of the proposed transfer, and upon completion of conveyance of the project properties to the transferee, the transferor will deliver to the transferee and the transferee will accept and permanently retain all license instruments and all maps, plans, specifications, contracts, reports of engineers, accounts, books, records, and all other papers and documents relating to the original project and to all additions thereto and betterments thereof;

(8) The transferor certifies that it has fully complied with the terms and conditions of its license, as amended, and that it has fully satisfied and discharged all of its liabilities and obligations thereunder to the date hereof, and obligates itself to pay all annual charges accrued under the license to the date of transfer;

(9) Contingent upon the final written approval by the Commission of the transfer of the license, the transferee accepts all the terms and conditions of the said license [as amended] and the act, and agrees to be bound thereby to the same extent as though it were the original licensee thereunder;

(10) The name, title, and post-office address of the person or persons to whom correspondence in regard to this application shall be addressed are as follows:

In witness whereof the transferor has caused its name to be hereunto signed by ----,
(Name)
its ----,
(Title—chief executive officer)
and its corporate seal to be hereunto affixed by ----,
(Name)
its ----
(Title—custodian of seal)
thereunto duly authorized, this ---- day of ----, 19----; and the transferee has caused its name to be hereunto signed by ----,
(Name)
its ----,
(Title—chief executive officer)
and its corporate seal to be hereunto affixed by ----,
(Name)
its ----
(Title—custodian of seal)
thereunto duly authorized this ---- day of ----, 19----.[3]

(Exact name of transferor)
By ---
(Name)

(Title)

(Exact name of transferee)
By ---
(Name)

(Title)

Attest:

(Secretary)

VERIFICATION[4]

State of ----
County of ----, ss:

---- being duly sworn deposes and says: That he is the ----

(Title of person signing the application)
of the ----,
(Name of one of applicants)
one of the applicants for approval of transfer of license; that he has read the foregoing application and knows the contents thereof; and that the same are true to the best of his knowledge and belief.

(Signature)

Subscribed and sworn to before me, a notary public of the State of ---- this ---- day of ----, 19----.

EXHIBIT A

PROOF OF CITIZENSHIP[5]

State of ----
County of ----, ss:

----, ----,
and ----, being duly sworn, each for himself, deposes and says that he is a citizen of the United States of America.

Subscribed and sworn to before me, a notary public of the State of ---- this ---- day of ----, 19----.

---

§ 131.30 *Application for amendment of license.* (See §§ 5.1–5.3 of this chapter).

(To be submitted in quadruplicate, together with one additional copy for each interested State commission)

[1] In par. 4 include only the subparagraph which is applicable.

[2] This form for application contemplates the filing of the application and Commission action thereon prior to any conveyance of the project properties. If the Commission acts favorably upon the application, it will authorize the issuance of its instrument approving the transfer of the license and the applicants will be notified thereof. Applicants may then consummate the conveyance of the project properties and transferee shall submit to the Commission certified copies of the instruments of such conveyance (see par. 6 of this form). The transferor shall at the same time make payment of annual charges to the date of the conveyance (see par. 8 of this form). The transferee shall at the same time submit to the Commission final proofs showing its compliance with state laws (e. g., acquisition of water rights under state laws from the transferor. See par. 5 of this form. The transferor shall at the same time turn over to the transferee all license instruments and all maps, plans, specifications, contracts, reports of engineers, accounts, books, records, and all other papers and documents, relating to the original project and to all additions thereto and betterments thereof. Thereupon the instrument of the Commission's approval, effective as of the date of the conveyance, will issue.

[3] If applicant is a natural citizen modify final paragraph.

[4] To be separately executed by each of the persons signing the foregoing application.

[5] If the applicant is a natural person or an association of citizens, proof of citizenship is required. Such proof may be made by affidavit in the form indicated.

BEFORE THE FEDERAL POWER COMMISSION

APPLICATION FOR AMENDMENT OF LICENSE [1]

1. _____ a
(The full name of applicant)
citizen / association of citizens / corporation / municipality organized under the laws of the State of _____ (omit any of foregoing which are inapplicable), licensee for a power project, designated as Project No. _____ in the records of the Federal Power Commission, issued on the _____ day of _____, 19___, hereby make__ application to said Commission for an amendment of the license for said project in the manner and to the extent described herein.

2. (Statement or description of change desired):

_____

_____

3. The proposed changes are necessary and desirable for the following reasons: _____

_____

4. The following exhibits are filed herewith, and are hereby made a part of this application for amendment of license:

Exhibit [2] _____, sheet _____, superseding exhibit _____, sheet _____

Exhibit _____, sheet _____, modifying exhibit _____, sheet _____

Exhibit _____, sheet _____, supplementing exhibit _____, sheet _____

(Use wording which fits the facts)

In witness whereof the applicant has caused its name to be hereunto signed by _____
(Name)
its _____, and its corporate seal to be hereto affixed by _____
(Title—chief executive officer)
_____
(Name)
its _____ thereunto duly authorized, this _____ day of _____, 19____.
(Title—custodian of seal)

(Modify this paragraph if applicant is a citizen.)

_____
(Name of applicant)
By _____
Attest:
_____
(Secretary)

VERIFICATION

State of _____
County of _____, ss.

_____ being first duly sworn deposes and says: That he is the _____ of the
(Title of person signing application)
_____, the applicant for
(Full name of applicant)
an amendment to the license for Project No. _____, that he has read the foregoing application and knows the contents thereof; that the same are true to the best of his knowledge and belief.

_____
(Signature)

Subscribed and sworn to before me this _____ day of _____, 19____.

[SEAL] _____
(Notary public)

[1] This form shall also be used when making application for amendment of plans.

[2] Each exhibit shall be certified as follows:

This map (these estimates, this copy of notice, etc.) is a part of the application for an amendment to license for Project No. ____, made by the undersigned this _____ day _____, 19____.

_____
(Name of applicant)
By _____

§ 131.40 *Balance sheet.* (See § 33.3, exhibit G, and § 34.3, exhibit G of this chapter.)

[Original and five copies, plus one copy for each State affected, to be submitted]

[Name of applicant]

BALANCE SHEET [1]

As of (most recent date)

Assets and other debits	Before transaction	Adjustments to record proposed transaction [2]	After transaction
Utility plant:			
Electric plant			
Electric plant adjustments			
Other			
Total utility plant			
Investment and fund accounts:			
Other physical property			
Investments in associated companies			
Sinking funds			
Other investments			
Total investment and fund accounts			
Current and accrued assets:			
Cash			
Special deposits			
Temporary cash investments			
Notes and accounts receivable—Customers			
Notes and accounts receivable—Others			
Receivables from associated companies			
Subscriptions to capital stock			
Materials and supplies			
Prepayments			
Other current and accrued assets			
Total current and accrued assets			
Deferred debits:			
Unamortized debt discount and expense			
Extraordinary property losses			
Other deferred debits			
Total deferred debits			
Capital stock discount and expense			
Reacquired securities:			
Reacquired capital stock			
Reacquired long-term debt			
Total reacquired securities			
Total assets and other debits			

Liabilities and other credits	Before transaction	Adjustments to record proposed transaction	After transaction
Capital stock:			
Common			
Preferred			
Other (specify)			
Total capital stock			
Long-term debt:			
Bonds			
Advances from associated companies			
Other (list large items)			
Total long-term debt			
Current and accrued liabilities:			
Notes payable			
Accounts payable			
Payables to associated companies			
Dividends declared			
Matured long-term debt			
Customers' deposits			
Taxes accrued			
Interest accrued			
Other current and accrued liabilities			
Total current and accrued liabilities			
Deferred credits (list large items)			
Reserves:			
Reserve for depreciation [3]			
Reserves for amortization			
Reserve for uncollectible accounts			
Insurance reserve			
Injuries and damages reserve			
Other reserves			
Total reserves			
Contributions in aid of construction			
Surplus:			
Capital surplus [4]			
Earned surplus			
Total surplus			
Total liabilities and other credits			

[1] The above balance sheet is condensed from the balance sheet shown in the Uniform System of Accounts.

[2] The figures appearing in the adjustment columns may be entered so that the total or net adjustment to each balance sheet item appears as one amount. Submit journal entries giving the accounts affected and an appropriate explanation of each adjustment. Minor adjustments of deferred items, accruals, etc., may be grouped as one journal entry. Increases or decreases in balance-sheet items arising from the transfer of such items from one company to another company shall be fully explained as to the reasons and bases for the amounts of such increases or decreases.

[3] If the reserve for depreciation is segregated (statistically or otherwise) as to utilities and classes of plant, the segregated amounts should be shown in a separate schedule.

[4] If capital surplus is shown in the balance sheet, a statement of origin and subsequent changes in the original amount should be submitted.

§ 131.41 *Classification of utility plant.* (See § 33.3, exhibit G, and § 34.3, exhibit G of this chapter.)

(Original and five copies, plus one for each State affected to be submitted)

[Name of applicant]

CLASSIFICATION OF UTILITY PLANT

As of (date of balance sheet)

Description	Amount
Electric utility plant:	
1. Electric plant leased to others	
2. Construction work in progress	
3. Electric plant held for future use	
4. Electric plant acquisition adjustments	
5. Electric plant in service and in process of reclassification.	
(a) Intangible plant	
(b) Steam-production plant	
(c) Hydro-production plant	
(d) Internal-combustion plant	
(e) Transmission plant	
(f) Distribution plant	
(g) General plant	
(h) Unclassified	
Total electric utility plant	
Gas utility plant:	
1. Organization	
2. Other intangible plant	
3. Tangible plant	
Total gas utility plant	

Description	Amount
Railway utility plant:	
1. Organization	
2. Other intangible plant	
3. Way and structures	
4. Equipment	
5. Power	
6. General	
7. Unclassified	
Total railway utility plant	
Other utility plant (describe)	
Total utility plant	

NOTE: If the utility plant is stated in excess of cost to the company, except as shown in the balance sheet adjustment account, give the amount of such excess, estimated if the exact amount is not known, and particulars as to the nature and origin of such excess.

§ 131.42 *Comparative income statement.* (See § 33.3, exhibit I, and § 34.3, exhibit I of this chapter.)

(Original and five copies, plus for each State affected, to be submitted)

[Name of applicant]

COMPARATIVE INCOME STATEMENT

	Year ended Dec. 31					Most recent 12-month period		
	Five most recent years					Before adjustments	Adjustments showing effect of transactions	After adjustments
OPERATING INCOME								
Electric department:								
Operating revenues								
Operating expenses (except maintenance)								
Maintenance expenses								
Depreciation								
Taxes								
Total expenses, depreciation, and taxes								
Operating income—Electric								
Gas department:								
Operating revenues								
Operating expenses (except maintenance)								
Maintenance expenses								
Depreciation								
Taxes								
Total expenses, depreciation, and taxes								
Operating income—Gas								
Railway department:								
Operating revenues								
Operating expenses (except maintenance)								
Maintenance expenses								
Depreciation								
Taxes								
Total expenses, depreciation, and taxes								
Operating income—Railway								
(NOTE: Show here the operating revenues, operating expenses, maintenance, depreciation, taxes and operating income of each other public utility department which the applicant operates.)								
Income from plant leased to others								
Other utility operating income								
Total utility departmental operating income								

	Year ended Dec. 31					Most recent 12-month period		
	Five most recent years					Before adjustments	Adjustments showing effect of transactions	After adjustments
OPERATING INCOME—continued								
Taxes not assignable to departments								
Other operating revenues (describe)								
Other operating expenses (describe)								
Total operating income								
OTHER INCOME								
Income from merchandising, jobbing, and contract work								
Income from nonutility operations								
Revenues from lease of other physical property								
Dividend revenues								
Interest revenues								
Revenues from sinking and other funds								
Miscellaneous nonoperating revenues								
Nonoperating revenue deductions								
Total other income								
Gross income								
INCOME DEDUCTIONS								
Interest on long-term debt								
Amortization of debt discount and expense								
Amortization of premium on debt—Credit								
Interest on debt to associated companies								
Other interest charges								
Interest charges to construction—Credit								
Miscellaneous amortization								
Miscellaneous income deductions								
Total income deductions								
Net income								
DISPOSITION OF NET INCOME								
Miscellaneous reservations of net income								
Dividends charged to income								
Balance transferred to surplus								

NOTE 1: Income from merchandising, jobbing, and contract work shall be classified as "other income" or as utility operating income of the proper departments according to the consistent practice of the applicant.

NOTE 2: Furnish a statement giving an explanation of each amount shown in column for adjustments showing effect of transaction.

§ 131.43 *Report of securities issued.* (See § 34.8 of this chapter.)

(Original and five copies, plus one for each State affected, to be submitted)

[Name of respondent]

REPORT OF SECURITIES ISSUED

Description of security _____

	Description	*Amount*
1.	Face value or principal amount	
2.	Plus premium or less discount	
3.	Gross proceeds	
4.	Underwriter's spread or commission	
5.	Securities and Exchange Commission registration fee	
6.	State mortgage registration tax	
7.	State commission fee	
8.	Fee for recording indenture	
9.	United States document tax	
10.	Printing and engraving expenses	
11.	Trustee's charges	
12.	Counsel fees	
13.	Accountant's fees	
14.	Cost of listing	
15.	Miscellaneous expenses of issue (describe large items)	
16.	Total deductions	
17.	Net amount realized	

§ 131.50 *Certificate of notification.* (See § 34.24 of this chapter.)

(Original and five copies, plus one for each State affected, to be submitted)

[Name of public utility]

[Address of public utility]

This is to certify that the following are the facts relating to a transaction entered into by the above-named public utility to which the provisions of section 204 (e) of the Federal Power Act are applicable:

(1) Date of transaction.

(2) Description of note or draft including payee and interest rate.

(3) State whether the transaction is an issue or renewal of, or assumption of liability on, a note or draft.

(4) Amount and maturity date of note or draft.

(5) Aggregate amount of above together with all other outstanding notes and drafts of a maturity of 1 year or less on which the public utility is primarily or secondarily liable at the date of the transaction.

(6) Total par value (or, in the case of securities having no par value, the fair market value as of the date of issue) of other securities outstanding at the date of the transaction.

(7) Detail of all other outstanding notes and drafts of a maturity of one year or less on which the public utility is primarily or secondarily liable.

8. Detail of outstanding securities having par value included in (6) above.

(9) Detail of outstanding securities having no par value included in (6) above.

(10) Full particulars of how fair market value at date of issue of securities having no par value was arrived at.

_____
(Name of public utility)

[CORPORATE SEAL]

_____
(Name and title of person signing)

[1] Subscribed and sworn to before me this ____ day of _____, 19____.

_____
(Notary public)

[1] Only original need be verified.

§ 131.51 *Notice of succession in ownership or operation.* (See §§ 35.1–35.12 of this chapter.)

(An original and one conformed copy to be submitted)

The _____
(Exact name of new owner, receiver, or trustee)

_____
(Address)

on this _____ day of _____, 19____, hereby adopts, ratifies, and makes his own, or its own, in every respect all applicable rate schedules, and supplements thereto, listed below, heretofore filed with the Federal Power Commission by _____
(Exact name of predecessor)

effective _____
(Effective date of change in ownership or operation)

_____
(List all Rate Schedule F. P. C. numbers adopted)

_____
(Exact name of successor)

By _____

_____
(Title)

§ 131.52 *Certificate of concurrence.* (See §§ 35.1–35.12 of this chapter.)

(An original and one conformed copy to be submitted)

This is to certify that _____
(Name of public utility concurring) assents to and concurs in the rate schedule (rate schedule supplement) described below, which the _____
(Name of public utility filing rate schedule) has filed, and hereby files this certificate of concurrence in lieu of the filing of the rate schedule (rate schedule supplement) specified.

(Here give exact description of rate schedule or supplement, including F. P. C. number)

_____
(Name of public utility)

By _____

_____
(Title)

Dated _____ 19_____.

§ 131.53 *Notice of cancellation.* (See §§ 35.1–35.12 of this chapter.)

[An original and one conformed copy to be submitted]

Notice is hereby given that effective the ____ day of _____ 19__, Rate Schedule F. P. C. No. _____, effective date _____ and filed with the Federal Power Commission by _____
(Name of public utility filing rate schedule) is to be cancelled.

Notice of the proposed cancellation has been served upon the following:

_____

_____

_____

_____
(Name of public utility)

By _____

_____
(Title)

Dated _____, 19__.

§ 131.60 *Verification of application.* (See §§ 45.1–45.8 of this chapter.)

State of _____

County of _____, ss:

The undersigned, being first duly sworn, states that he is the applicant in the foregoing application (or supplemental application); that he has read said application (or supplemental application) and knows the contents thereof; and that all of the statements contained therein are true and correct to the best of his knowledge and belief.

_____
(Applicant)

Sworn to and subscribed before me, a notary public, in and for said county and State, this ____ day of _____, 19__.

_____
(Notary public)

My commission expires _____

[SEAL]

§ 131.70 *Form of application by municipalities for exemption from payment of annual charges.*

APPLICATION TO THE FEDERAL POWER COMMISSION

By _____

Licensee of Project No. _____, in the State (Territory) of _____, for exemption of Annual Charges for the period beginning _____ 19__, ending _____ 19__.

1. Name and address of official to whom correspondence regarding this application should be addressed _____

_____

2. What is the basis for exemption claimed:

(a) That the power developed by the project was sold to the public without profit? _____

(b) That the power developed by the project was used by the licensee for State or municipal purposes? _____

_____

3. Description of electric plants and properties, and method of operation: Describe the electric plants and properties owned or operated by the licensee and the general method of operation involving the generation, purchase, distribution, sale, and use of electric power, giving specific answers to the following questions:

(a) Generating plants owner or operated by licensee:

Location	Kind of plant (steam, hydro, etc.)	Owned or leased?	Installed capacity	
			Under license (project)	Not under license (non-project)

(b) Transmission lines and distribution lines:

	Transmission	*Distribution*
Under license (project):		
Approximate miles		
Not under license (non-project):		
Approximate miles owned or operated		

(c) Power generated and purchased:

Power generated by—	By plants under license (project)	By plants not under license (non-project)	Total
Steam plants			
Hydro plants			
Other plants			
Total power generated			

Power purchased _____

Total power generated and purchased _____

(d) Power sold or otherwise disposed of:

	Kilowatt hours
Sold to the public	
Used by licensee for—	
Pumping water	
Street lighting	
Other municipal purposes:	

Total sold to the public and used by the licensee	
Used for station purposes, lost in transmission, etc	
Total power sold or otherwise disposed of	

(e) In case there were any unusual conditions attending the generation and disposition of electric power explain fully in the space provided below, stating particularly and specifically in what manner the power generated by the licensed project was disposed of—Was it sold or disposed of without being intermingled with other power generated or purchased? Was it intermingled with other power before being sold or disposed of? Can the revenue derived from the power generated by the licensed project be identified? etc.

4. Investment in electric property:

	Total	*Project*	*Non-project*
(a) Book cost of electric property owned by licensee at beginning of period	------	------	------
(b) Additions during period	------	------	------
(c) Retirements during period	------	------	------
(d) Book cost at end of period	------	------	------
(Item (a) plus item (b) less item (c))	------	------	------

5. Operating electric revenues and deductions therefrom: Submit a statement showing the total revenues derived from operation of the electric plant during the period, the deductions therefrom, and the net operating income from operating the electric plant. In case the information called for in the form following is not available, submit a statement in such detail as can readily be compiled from the licensee's accounts and records. Segregate "project" and "nonproject" revenues, deductions, etc., where this can be done without arbitrary allocations.

OPERATING REVENUES AND KILOWATT-HOURS

	Totals		Operating revenues				Totals		Operating revenues		
	Kw.-hr.	Revenue	Project	Non-project	Common to project and non-project		Kw.-hr.	Revenue	Project	Non-project	Common to project and non-project
(a) Sales to the public:						(d) Miscellaneous operating revenues	******	$	$	$	$
To general consumers		$	$	$	$	(e) Total operating revenues	******	$	$	$	$
To R. R. corporations						(f) Kw.-hr. used by Licensee for which operating revenues were not credited		******	******	******	********
To electric corporations						(g) Kw.-hr. used for station purposes, lost in transmission, etc		******	******	******	********
Other sales to the public						(h) Total kw.-hr. (To agree with total shown for item (d), paragraph 3)		******	******	******	********
Total sales to the public (To agree with kw.-hr. shown under item (d) of paragraph 3)											
(b) Power used by Licensee for which operating revenues were credited											
(c) Total kw.-hr. disposed of for which operating revenues were credited		$	$	$	$						

OPERATING EXPENSES AND OTHER DEDUCTIONS FROM REVENUE

	Total	Deductions from revenues				Total	Deductions from revenues		
		Project	Non-project	Common to project and non-project			Project	Non-project	Common to project and non-project
(i) Production expenses	$	$	$	$	(r) Taxes assignable to operations	$	$	$	$
(j) Transmission expenses					(s) Rent for lease of operating property---Dr.				
(k) Distribution expenses					(t) Rent from lease of operating property---Cr.				
(l) Utilization expenses					(u) Total operating expenses and other deductions from revenues				
(m) Commercial expenses									
(n) New Business expenses					(v) Net income from operating properties (Item (e) less item (u))				
(o) General and Miscellaneous expenses (excluding depreciation)									
(p) Depreciation expense									
(q) Uncollectible bills									

6. General reasons for exemption: Based upon the foregoing data, the licensee should state in the space provided below the reasons in support of claim for exemption of annual charges.

AFFIDAVIT

State of ----------,
County of----------, ss:
---------- and ----------
We, the undersigned, ----------
(Chief executive officer)
(Title) (Exact name of licensee)
on our oath do severally say that the fore-
(Title) (Chief Accounting Officer)
---------- of ----------
going application, including all statements, schedules, memoranda, and data of every kind therein contained, and covering the period beginning ----------, 19----, and ended ----------, 19----, or such other period or dates as specified with respect to particular matters, has been prepared, under our direction, from the original books, papers, records, and accounts of said licensee; that we have carefully examined the same and that, to the best of our knowledge, information, and belief, the said application contains complete and correct statements or information with respect to each and every matter and thing therein set forth.

Subscribed and sworn to before me, this ------ day of ----------, 193--.

PART 141—STATEMENTS AND REPORTS (SCHEDULES)

Sec.

141.1 Annual report, Form No. 1, electric utilities and licensees (Classes A and B).

141.2 Annual financial and statistical report for Class C electric utilities and licensees; FPC Form No. 1–A.

141.3 Form No. 1B, Annual report for electric utilities and licensees, Class D (Privately owned).

141.4 Form No. 1C, Annual report for electric utilities and licensees, Class D (Publicly owned).

141.5 Form No. 1D, Annual report for licensees using special condensed accounting rules.

141.6 Form No. 1E, Annual report for Class I licensees.

141.11 Form No. 6, initial statement showing actual legitimate original cost of project.

141.12 Form No. 7, Statement of actual legitimate original cost of construction.

141.13 Form No. 8, Report of claimed increases and decreases in licensed project plant accounts.

141.21 Form No. 3, Typical net monthly bills.

141.22 Form No. 4, Monthly report of generation of electric energy consumption and stocks of fuel (multiple plant utilities).

Sec.

141.23 Form No. 4A, Monthly report of generation of electric energy consumption and stocks of fuel (Single plant utilities).
141.24 Form No. 4B, Monthly report of industrial generation of electric energy.
141.25 Form No. 5, Monthly statement of electric operating revenue and income.
141.26 Form No. 13, Summary for National Electric Rate Book.
141.27 Form No. Temp. 2-46, Directory of electric (and gas) utilities.
141.51 Form No. 12, Power system statements for Class I and II systems.
141.52 Form No. 12A, Power system statement for Class III and IV systems.
141.53 Form No. 12B, Industrial electric generating capacity (Detailed information).
141.54 Form No. 12C, Industrial electric generating capacity (Limited information).
141.55 Form No. 12D, Power system statements for Class III and IV systems having annual energy requirements of less than 5,000,000 k.w.h. energy for system.
141.56 Form No. 12E, Monthly load statement.
141.57 Form No. 12F, Power line and generating plant data.

AUTHORITY: §§ 141.1 to 141.57, inclusive, issued under Secs. 4 (a), 4 (b), 301 (a), 301 (c), 302 (a), 304 (a), 309, 311; 49 Stat. 839 (a), 839 (b), 854 (a), 854 (c), 855, 858, 859; 16 U. S. C. 797 (a), 797 (b), 825 (a), 825c, 825a (a), 825c (a), 825h, 825j.

§ 141.1 *Annual report, Form No. 1, electric utilities and licensees (Classes A and B).* List of schedules in report form:

Schedule 100.	Identity of respondent.
Schedule 101.	Officers.
Schedule 102.	Directors.
Schedule 103.	Corporate control over respondent.
Schedule 104.	Security holders and voting powers.
Schedule 106.	Corporations controlled by respondent.
Schedule 109.	Important changes during the year.
Schedule 200.	Comparative balance sheet.
Schedule 200M.	Comparative balance sheet—Municipal.
Schedule 201.	Utility plant (Accounts 100, 107, 108).
Schedule 204.	Utility plant adjustments (Accounts 107 and 108).
Schedule 206.	Other physical property (Account 110).
Schedule 208.	Investments in securities of associated companies (Account 111.1).
Schedule 209.	Advances to associated companies—Notes (included in Account 111.2).
Schedule 210.	Advances to associated companies—Open account (included in Account 111.2).
Schedule 210M.	Advances to municipality (Account 111).
Schedule 212.	Other investments (Account 112).
Schedule 213.	Advances to nonassociated companies—Notes (included in account 112).
Schedule 214.	Advances to nonassociated companies — Open account (included in Account 112).
Schedule 216.	Sinking and miscellaneous special funds (Accounts 113, 114).
Schedule 217.	Assets in sinking and miscellaneous special funds.
Schedule 219.	Securities acquired during year.
Schedule 220.	Securities disposed of during year.
Schedule 223.	Special deposits (Account 121).
Schedule 225.	Temporary cash investments (Account 123).
Schedule 226.	Notes receivable (Account 124).
Schedule 227.	Accounts receivable (Account 125).
Schedule 229.	Notes receivable from associated companies (Account 126.1).
Schedule 230.	Accounts receivable from associated companies (Account 126.2).
Schedule 230M.	Receivables from municipality (Account 126).
Schedule 234.	Materials and supplies (Account 131).
Schedule 235.	Production fuel and oil stocks (included in Account 131).
Schedule 236.	Prepayments (Account 132).
Schedule 237.	Other current and accrued assets (Account 133).
Schedule 238.	Unamortized debt discount and expense (Account 140).
Schedule 239.	Extraordinary property losses (Account 141).
Schedule 240.	Preliminary survey and investigation charges (Account 142).
Schedule 241.	Clearing accounts (Account 143).
Schedule 244.	Retirement and other work in progress (Accounts 144 and 145).
Schedule 245.	Other deferred debits (Account 146).
Schedule 246.	Deferred regulatory commission expenses.
Schedule 249.	Discount on capital stock (Account 150).
Schedule 250.	Capital stock expense (Account 151).
Schedule 253.	Capital stock (Accounts 200 and 201).
Schedule 253M.	Investment of municipality (Account 200).
Schedule 258.	Stock liability for conversion, premiums and assessments on capital stock, capital stock subscribed, installments received on capital stock (Accounts 202, 203, 204, and 205).
Schedule 263.	Long-term debt (Accounts 210, 211, and 213).
Schedule 264.	Advances from associated companies, Notes (Account 212.1).
Schedule 265.	Advances from associated companies, Open Account (Account 212.2).
Schedule 265M.	Advances from municipality (Account 212).
Schedule 266.	Securities issued or assumed during year.
Schedule 268.	Notes payable (Account 220).
Schedule 270.	Notes payable to associated companies (Account 223.1).
Schedule 271.	Accounts payable to associated companies (Account 223.2).
Schedule 271M.	Payables to municipality (Account 223).
Schedule 274.	Accrued and prepaid taxes.
Schedule 276.	Interest accrued (Account 229).
Schedule 278.	Unamortized premium on debt (Account 240).
Schedule 280.	Other current and accrued liabilities (Account 230).
Schedule 282.	Customers' advances for construction (Account 241).
Schedule 283.	Other deferred credits (Account 242).
Schedule 285.	Reserves for depreciation of utility plant.
Schedule 286.	Reserves for amortization of limited-term utility investments (Comprising Account 251 and Balances for Other Utility Departments Included in Account 253).
Schedule 287.	Reserves for amortization of utility plant acquisition adjustments (Comprising Account 252 and Balances for Other Utility Departments Included in Account 253).
Schedule 288.	Reserve for depreciation and amortization of other property (Account 253).
Schedule 289.	Reserve for uncollectible accounts (Account 254).
Schedule 290.	Insurance reserve (Account 255).
Schedule 291.	Injuries and damages reserve (Account 256).
Schedule 292.	Employees' provident reserve (Account 257).
Schedule 293.	Other reserves (Account 258).
Schedule 296.	Contributions in aid of construction (Account 265).
Schedule 297.	Capital surplus (Account 270).
Schedule 297M.	Constructive surplus or deficit — Municipal (Account 272).
Schedule 300.	Income and earned surplus account.
Schedule 308.	Income from utility plant leased to others.
Schedule 310.	Income from merchandising, jobbing, and contract work (Account ——).
Schedule 311.	Income from nonutility operations (Account 521).
Schedule 312.	Revenues from lease of other physical property (Account 522).
Schedule 315.	Revenues from sinking and other funds (Account 525).
Schedule 316.	Miscellaneous nonoperating revenues (Account 526).
Schedule 317.	Nonoperating revenue deductions (Account 527).
Schedule 320.	Interest on debt to associated companies (Account 534).
Schedule 321.	Other interest charges (Account 535).
Schedule 322.	Miscellaneous amortization (Account 537).
Schedule 323.	Miscellaneous income deductions (Account 538).
Schedule 325.	Miscellaneous reservations of net income (Account 540).
Schedule 326.	Miscellaneous credits to surplus (Account 401).
Schedule 327.	Dividend appropriations (Accounts 411 and 412).
Schedule 327M.	Authorized cash distributions to municipality (Account 411).
Schedule 328.	Miscellaneous reservations of surplus (Account 413).
Schedule 329.	Miscellaneous debits to surplus (Account 414).
Schedule 400.	Common utility plant (Included in Account 108).
Schedule 401.	Common utility plant in service allocated to utility departments.

Schedule 403.	Common utility plant leased to others.
Schedule 404.	Construction work in progress — Common utility plant.
Schedule 406.	Common utility plant held for future use.
Schedule 408.	Common utility plant acquisition adjustments.
Schedule 410.	Common utility plant in process of reclassification.
Schedule 411.	Reserve for depreciation of common utility plant.
Schedule 413.	Common utility plant expenses.
Schedule 420.	Taxes charged during year.
Schedule 422.	Regulatory commission expenses.
Schedule 424.	Officers' salaries.
Schedule 427.	Service contract charges by associated companies.
Schedule 428.	Management and engineering contracts with non-associated companies.
Schedule 500.	Electric plant in service (Account 100.1).
Schedule 503.	Electric plant leased to others (Account 100.2).
Schedule 504.	Construction work in progress — Electric (Account 100.3).
Schedule 505.	Electric plant held for future use (Account 100.4).
Schedule 506.	Electric plant acquisition adjustments (Account 100.5).
Schedule 511.	Electric plant in process of reclassification (Account 100.6).
Schedule 514.	Reserve for depreciation of electric plant (Account 250).
Schedule 525.	Electric operating revenues (Account 501).
Schedule 527.	Sales of electric energy—By communities.
Schedule 528M.	Electric energy supplied to municipality (Included in Accounts 603 and 604).
Schedule 530.	Sales to other electric utilities (Account 605).
Schedule 532.	Sales to railroads and railways (Account 606).
Schedule 533.	Interdepartmental sales (Account 607).
Schedule 534.	Other sales (Account 608).
Schedule 536.	Rent from electric property (Account 610).
Schedule 537.	Interdepartmental rents (Account 611).
Schedule 539.	Sales of water and water power (Account 613).
Schedule 541.	Miscellaneous electric revenues (Account 615).
Schedule 550.	Electric operating expenses.
Schedule 551.	Purchased power (Account 738).
Schedule 552.	Interchange power (Account 739).
Schedule 555.	Rents charged to electric operating expenses.
Schedule 557.	Franchise requirements (Account 805) (Electric).
Schedule 559.	Administrative and general expenses transferred—Credit (Account 807) (Electric).
Schedule 561.	Construction overheads—Electric.
Schedule 563.	Joint expenses—Debit and credit (Electric).
Schedule 565.	Depreciation and amortization of electric plant (Accounts 503, 504) (except amortization of acquisition adjustments).
Schedule 575.	Electric energy account.
Schedule 577.	Monthly peaks and output.
Schedule 579.	Generating station statistics.
Schedule 581.	Changes made or scheduled to be made in generating station capacities.
Schedule 583.	Steam generating stations.
Schedule 584.	Hydroelectric generating stations.
Schedule 585.	Internal combustion engine generating stations.
Schedule 586.	Transmission line statistics.
Schedule 587.	Transmission lines added during year.
Schedule 588.	Substations.
Schedule 590.	Overhead distribution systems.
Schedule 592.	Conduit, underground cable, and submarine cable (Distribution System).
Schedule 594.	Electric distribution meters and line transformers.
Schedule 595.	Rural line data.
Schedule 596.	Street lighting and signal systems.
Schedule 600.	Sales data for the year.
Schedule 601.	Sales data by rate schedules for the year.
Schedule 602.	Residential service.
Schedule 603.	Commercial light and commercial power services.
Schedule 604.	Cash contributions made by the respondent to the city and by the city to the respondent during year.
Schedule 605.	Service rendered to, or received from, the city during the year.
Schedule 606.	Service rendered to, and received from, municipalities and other public authorities during the year.
Schedule 700.	Information concerning licenses and location of records.
Schedule 701.	Information concerning services, rates, and securities of licensee.
Schedule 702.	Information concerning operation of licensed projects and the sale or use of energy produced.
Schedule 703.	Licensed project plant data.
Schedule 704.	Licensed project plant accounts.
Schedule 705.	Reserve for depreciation of licensed project plant.
Schedule 708.	Net earnings of licensed projects.
Schedule 709.	Operating revenues.
Schedule 710.	Other credit items.
Schedule 711.	Operating expenses.
Schedule 714.	Depreciation.
Schedule 715.	Taxes charged to licensed project operations.
Schedule 716.	Other deductions.
Schedule 720.	Energy generated and energy delivered by licensed projects. Affidavit.

§ 141.2 *Annual financial and statistical report for Class C electric utilities and licensees; FPC Form No. 1–A.* (a) The form of Annual Financial and Statistical Report for Class C Electric Utilities and Licensees, heretofore adopted and designated as FPC Form No. 96, by Commission Order No. 55, dated September 7, 1938, and amended by Commission Order No. 76, dated September 24, 1940, including the instructions and schedules therein contained, is readopted and redesignated as FPC Form No. 1–A.

(b) Each Class C utility and licensee (as defined in the Uniform System of Accounts) and each private, municipal, or public corporation engaged in the generation, transmission, distribution, or sale of electric energy, however produced, throughout the United States and its possessions, having annual electric operating revenues of more than $100,000, but not more than $250,000, whether or not the jurisdiction of the Commission is otherwise involved, shall prepare and file with the Commission annually for each fiscal year beginning January 1, 1943, or next thereafter (if the established fiscal year is other than a calendar year) on or before the last day of the third month following the close of the calendar or other established fiscal year, an original and one conformed copy of the above designated FPC Form No. 1–A properly filled out and verified. One copy of said report should be retained by the correspondent in its files. The conformed copy may be a carbon copy, if legible.

§ 141.3 *Form No. 1B, Annual report for electric utilities and licenses, Class D (Privately owned).* (a) The form of Annual Financial and Statistical Report for Class D Electric Utilities and Licensees, heretofore adopted and designated as FPC Form No. 97, by Commission Order No. 56, dated September 7, 1938, as modified by Commission Order No. 71, dated December 9, 1939, and amended by Commission Order No. 77, dated September 24, 1940, including the instructions and schedules therein contained, is amended, readopted and redesignated as FPC Form No. 1–B.

(b) Each Class D public utility and licensee (as defined in the Uniform System of Accounts), other than municipal and public-owned corporations, and each person or corporation, other than municipal or public-owned corporations, engaged in the generation, transmission, distribution, or sale of electric energy, however produced, throughout the United States and its possessions, having annual electric operating revenues of more than $25,000, but not more than $100,000, whether or not the jurisdiction of the Commission is otherwise involved, shall prepare and file with the Commission annually for each fiscal year beginning January 1, 1943, or next thereafter (if the established fiscal year is other than the calendar year) on or before the last day of the third month following the close of the calendar or other established fiscal year, an original and one conformed copy of the above designated FPC Form No. 1–B, properly filled out and verified. One copy of the said report should be retained by the correspondent in its files. The conformed copy may be a carbon copy, if legible.

§ 141.4 *Form No. 1C, Annual report for electric utilities and licensees, Class D (Publicly owned).* (a) The form of Annual Report for Class D municipal electric utilities and licensees (as defined in the Uniform System of Accounts heretofore adopted by the Commission), adopted and designated as FPC Form No. 97–M by Commission Order No. 71, dated December 9, 1939, including the instructions and schedules therein contained, is amended, readopted and redesignated as FPC Form No. 1–C.

(b) Each Class D municipal utility or licensee (as defined in the Uniform System of Accounts), and each municipal or public-owned corporation engaged in the

generation, transmission, distribution or sale of electricity, however produced, throughout the United States and its possessions, having annual electric operating revenues of more than $25,000, but not more than $100,000, whether or not the jurisdiction of the Commission is otherwise involved, shall prepare and file with the Commission annually for each fiscal year beginning January 1, 1943, or next thereafter (if the established fiscal year is other than a calendar year) on or before the last day of the third month following the close of the calendar or other established fiscal year, two executed copies of the above designated FPC Form No. 1–C.

§ 141.5 *Form No. 1D, Annual report for licensees using special condensed accounting rules.* List of schedules in report form:

Schedule No. 1. Changes in project fixed capital accounts.
Schedule No. 2. Project revenues.
Schedule No. 3. Project expenses.
Schedule No. 4. Net earnings of project.
Schedule No. 5. Depreciation reserve account.
Affidavit.

§ 141.6 *Form No. 1E, Annual report for Class I licensees.* List of schedules in report form:

Schedule I 1. General information regarding licensee and project.
Schedule I 2. Comparative general balance sheet statement.
Schedule I 3. Changes in fixed capital accounts.
Schedule I 4. Retirements of fixed capital.
Schedule I 5. Depreciation reserve (Account 17).
Schedule I 6. Income and profit and loss statement.
Schedule I 7. Operating revenues.
Schedule I 8. Operating expenses.
Schedule I 9. Statement of net earnings of project.
Schedule I 10. Report on generating stations—project only.
Schedule I 11. Cost per kilowatt hour for operation and maintenance of the project.
Schedule I 12. Analysis of revenue accounts.
Affidavit.

§ 141.11 *Form of initial cost statement for licensed projects.* (a) The revised form of initial cost statement showing actual legitimate original cost, designated as FPC Form No. 6, be and it is hereby adopted for use by Licensees (other than Licensees of a complete project of not more than 100 hp. installed capacity) in preparing and filing initial cost statements, under oath, under §§ 4.1, 4.10, and 4.20 of this chapter;

(b) Each Licensee not exempt by license provisions shall hereafter file with the Commission an initial cost statement, under oath, on the form aforesaid, in the manner and number of copies prescribed by §§ 4.1, 4.10 and 4.20 of this chapter.

(c) This form contains the following list of schedules:

SECTION I—GENERAL DATA

Schedule:
1. Organization and intercorporate relationship.
2. Description of project.
3. Manner and method of financing the project.
4. Chronological statement and summary of progress of construction.

SECTION II—STATEMENT OF CLAIMED COST

Schedule:
5. Statement of claimed cost.
5A. Analysis of direct charges for intangible plant.
5B. Analysis of direct charges for production plant.
5C. Analysis of direct charges for transmission plant.
5D. Analysis of direct charges for general plant.
5E. Analysis of indirect construction costs.
5F. Analysis of overhead construction costs.

Schedule:
5G. Analysis of earnings and expenses during construction.
6. Statement of claimed accrued depreciation.

SECTION III—SUPPORTING DATA

Schedule:
7. Final construction trial balance.
8A. Analysis of cost of production plant land and rights.
8A–1. Summary and segregation of direct land costs distributed to parcels.
8A–1a. Analysis of cost of individual parcels of land.
8A–2. Analysis of acquisition and other costs not distributed to parcels.
8A–3. Analysis of Licensee's departmental charges not distributed to parcels.
8B. Analysis of cost of transmission plant land and land rights.
8B–1. Summary and segregation of direct land costs distributed to parcels.
8B–1a. Analysis of cost of individual parcels of land.
8B–2. Analysis of acquisition and other costs not distributed to parcels.
8B–3. Analysis of licensee's departmental charges not distributed to parcels.
Schedule:
8C. Analysis of cost of general plant land and land rights.
8C–1. Summary and segregation of direct land costs distributed to parcels.
8C–1a. Analysis of cost of individual parcels of land.
8C–2. Analysis of acquisition and other costs not distributed to parcels.
8C–3. Analysis of licensee's departmental charges not distributed to parcels.
9. Statement of engineering and construction fees and expenses.
10. Statement of legal fees and expenses.
11. Statement of accounting, financing and miscellaneous fees and expenses.
12. Analysis of insurance, injuries, and damages during construction.
12A. Summary of compensation insurance and social security contributions.
13. Analysis of taxes during construction.
14. Statement of interest during construction.
14A. Analysis of interest, discount and expense on bonds, debentures, etc.
14A–1. Statement of discount or premium and expense on long-term debt.
14B. Analysis of interest paid to affiliates on notes and advances.
14C. Analysis of interest paid to non-affiliates on notes, mortgages, etc.
14D. Analysis of interest paid on capital stock subscription installments.
14E. Analysis of interest claimed on licensee's own funds.
14F. Analysis of interest credited to project during construction.
15. Analysis of claimed cost of power used in aid of construction.
16. Power production and outages during construction.
17. Claimed value of power produced during construction.
18. Statement of labor rates.
19. Analysis of material quantities and unit costs.
20. Summary of monthly expenditures.
21. Summary of contract payments.
22. Statements of bids received.
23. General maps, drawings and photographs.
Affidavit.

§ 141.12 *Form No. 7, Statement of actual legitimate original cost of construction.* List of schedules in report form:

GENERAL INSTRUCTIONS

Schedule A. Identification and general.
Schedule B. Original licensed project plant.
Schedule C. Adjusting journal entries.
Schedule D. Increases or decreases in original project plant accounts resulting from adjusting journal entries to record actual cost as determined by Commission.
Verification.

§ 141.13 *Form No. 8, Report of claimed increases and decreases in licensed project plant accounts.* List of schedules in report form:

GENERAL INSTRUCTIONS—EXCERPTS FROM THE LAW

Schedule 1. Identification and general.
Schedule 2. Changes in licensed project plant accounts.
Schedule 3. Additions and betterments—licensed project plant.
Schedule 4. Retirements—licensed project plant.
Schedule 5. Adjustments of licensed project plant accounts.
Schedule 6. Reconciliation of claimed increases and decreases in licensed project plant accounts with recorded amounts in books of account.
Verification.

§ 141.21 *Form No. 3, Typical net monthly bills.* This form is designed to obtain information concerning monthly bills for specified quantities of electric service to residential, commercial (light), commercial (power), and industrial consumers. At the close of each year, bill data based upon last filed rate schedule are sent to the electric suppliers, who are requested to report any necessary corrections.

§ 141.22 *Form No. 4, Monthly report of generation of electric energy consumption and stocks of fuel (multiple plant utilities).* This form is designed to obtain monthly information concerning generation of electric energy and consumption and stocks of fuel from utilities having more than one generating plant.

§ 141.23 *Form No. 4A, Monthly report of generation of electric energy consumption and stocks of fuel (single plant utilities).* This form is designed to obtain the same information as in § 141.22, but from utilities having only one generating plant.

§ 141.24 *Form No. 4B, Monthly report of industrial generation of electric energy.* This form is designed to obtain monthly information concerning generation of electric energy by industrial establishments.

§ 141.25 *Form No. 5, Monthly statement of electric operating revenue and income.* This form is designed to obtain

monthly information concerning electric operating revenues, revenue deductions, and income, from all Class A electric utilities, both privately and publicly owned.

§ 141.26 *Form No. 13, Summary for National Electric Rate Book.* This form is designed to obtain information concerning retail rate schedules of electric utilities. Rate schedules filed with the Commission are summarized on the form and submitted to utilities for approval or correction.

§ 141.27 *Form No. Temp. 2–46, Directory of electric (and gas) utilities.* This form is designed to obtain information concerning service rendered, names of officers, and corporate characteristics of electric utilities.

§ 141.51 *Form No. 12, Power system statements for Class I and II systems.* (a) The revised FPC Form No. 12, Power System Statement (Class I and II Systems), including the revised instructions and schedules therein contained, be and the same hereby is approved and adopted.

(b) Each corporation, person, agency, authority, or other legal entity or instrumentality, whether public or private, which operates facilities for the generation or transmission, or distribution of electric energy, and which is in the classification of Class I or Class II System (as the same are defined in the accompanying revised FPC Form No. 12) shall hereafter annually prepare and file with the Commission on or before the 15th of April 1947, and each year thereafter, such statement or statements, and in such form as is required by said instructions and schedules, setting forth the answers to the questions therein stated, and furnishing the information therein called for, for the preceding calendar year.

(c) This form contains the following list of schedules:

SCHEDULE

1. List of all system generating plants and their installed capacity.
2. System hydroelectric data.
4. Hydroelectric plant data.
5. Steam-electric plant data.
6. Steam-electric plant performance.
7. Internal-combustion engine plant data.
8. Itemized accounting of energy transfers with other electric utility systems and industrial companies during the year.
9. System energy accounting for the year.
10. Energy delivered to ultimate consumers during the year.
11. Energy transferred to or across a state line or international boundary during the year.
13. Demand on generating plants, power received, and power delivered, for resale, at the time of system peak load of the year.
14. Net generation, energy received and delivered, and system peaks by months for the year.
15. System load data for the year.
16. System dependable and assured capacity.
17. Distribution of system load in service area.
18A. System maps and diagrams.
18B. High voltage line data.
19. System forecasts.

Attestation.

§ 141.52 *Form No. 12–A, Power system statements for Class III and IV systems.* (a) The revised FPC Form No. 12–A, Power System Statement (Class III and IV Systems) including the revised instructions and schedules therein contained, be and the same hereby is approved and adopted.

(b) Each corporation, person, agency, authority, or other legal entity or instrumentality, whether public or private, which operates facilities for the generation or transmission, or distribution of electric energy, and which is in the classification of Class III or Class IV System (as the same are defined in the accompanying revised FPC Form No. 12–A) shall hereafter annually prepare and file with the Commission on or before the 15th of April of 1947, and each year thereafter, such statement or statements, and in such form as is required by said instructions and schedules, setting forth the answers to the questions therein stated, and furnishing the information therein called for, for the preceding calendar year; *Provided, however,* That said form shall not be required to be prepared and filed for Class III systems having "net energy for system" during the year less than 5,000,000 kilowatt-hours (as the same is defined in the accompanying form), or for Class IV systems having energy requirements during the year less than 5,000,000 kilowatt-hours except as specifically directed.

(c) This form contains the following list of schedules:

SCHEDULE

1. Electric generating equipment owned or operated by respondent as of December 31.
2A. Net generation, energy received and delivered, and system peaks, by months for the year.
2B. System annual peak load.
3. Energy transfers and connections of respondent's system with other systems.
4. Energy delivered to ultimate consumers during the year.
5. System dependable and assured capacity.
6. Map of respondent's electric system.

§ 141.53 *Form No. 12B, Industrial electric generating capacity (Detailed information).* This form is designed to obtain information in some detail concerning electric generating equipment owned or operated by industrial establishments, and contains the following schedules:

Schedule:
1. Electric generating equipment owned or operated by respondent at end of year.
2. Alternations and additions.
3. Electric energy transfers and connections of respondent's establishment with others.

§ 141.54 *Form No. 12C, Industrial electric generating capacity (Limited information).* This form is designed to obtain limited information concerning generating capacity owned or operated by industrial establishments. It is not sent to respondents supplying information on Form No. 4B (§ 141.24) and Form No. 12B (§ 141.53).

§ 141.55 *Form 12–D, Power system statements for Class III and IV systems having annual energy requirements of less than 5,000,000 k. w. h.* (a) The revised FPC Form No. 12–D, Power System Statement (Class III and IV Systems), including the revised instructions and schedules therein contained, be and the same hereby is approved and adopted.

(b) Each corporation, person, agency, authority, or other legal entity or instrumentality, whether public or private, which operates facilities for the generation or transmission, or distribution of electric energy, and which has energy requirements during the year of less than 5,000,000 kilowatt-hours, shall hereafter annually prepare and file with the Commission on or before the 15th of April of 1947, and each year thereafter, such statement or statements, and in such form as is required by said instructions and schedules, setting forth the answers to the questions therein stated, and furnishing the information therein called for, for the preceding calendar year.

(c) This form contains the following list of schedules:

SCHEDULE

1. Electric generating equipment owned or operated as of December 31.
2. Energy transfers and connections with other systems.
3. Net generation, energy received and delivered, and system peak for the year.
4. Energy delivered to ultimate consumers during the year.
5. Map of electric system.

§ 141.56 *Form No. 12E, Monthly load statement.* This form is a monthly supplement to Schedule 14 of Form No. 12 (§ 141.51), and is designed to obtain monthly information concerning net energy for load and peak load of electric utility systems.

§ 141.57 *Form No. 12F, Power line and generating plant data.* This form is a supplement to Schedules 16 and 18 of Form No. 12 (§ 141.51), and is designed to obtain information concerning power line and generating plant data. (Secs. 309, 311, 49 Stat. 858, 859; 16 U. S. C. 825h, 825j)

Subchapter E—Regulations Under Natural Gas Act

PART 153—APPLICATION FOR AUTHORIZATION TO EXPORT OR IMPORT NATURAL GAS

Sec.
153.1 Who shall apply.
153.2 Form and time of filing.
153.3 Contents of application.
153.4 Required exhibits.
153.5 Other information.
153.6 Transferability.
153.7 Authorization not exclusive.
153.8 Filing of rate schedules, notices, etc.

APPLICATION FOR CONSTRUCTION, OPERATION, MAINTENANCE, OR CONNECTION AT INTERNATIONAL BOUNDARY, OF FACILITIES FOR EXPORTATION OR IMPORTATION OF NATURAL GAS

153.10 Who shall apply.
153.11 Contents of application.
153.12 Other information.

AUTHORITY: §§ 153.1 to 153.12, inclusive, issued under secs. 3 and 16, 52 Stat. 822 and 830; 15 U. S. C., 717b, 717o; E. O. 8202, July 13, 1939, 3 CFR, Cum. Supp.

§ 153.1 *Who shall apply.* The owner of a source of supply of natural gas who proposes to export or import any portion of such natural gas or who has entered or proposes to enter into a contract to supply natural gas to be so exported or imported, and the exporter

or importer thereof, are necessary parties to an application for the authorization sought under this section.

In connection with applications hereunder, attention is directed to the provisions of §§ 153.10 to 153.12, inclusive, relative to applications for Presidential Permits for the construction, operation, maintenance, or connection, at the borders of the United States, of facilities for the exportation and importation of natural gas to or from a foreign country in compliance with Executive Order No. 8202, dated July 13, 1939.

§ 153.2 *Form and time of filing.* An application under this part shall conform with § 1.15 of this chapter, shall be made at least 30 days in advance of the proposed exportation or importation, except where otherwise ordered by the Commission for good cause shown, and the original application shall be signed and verified under oath by an executive officer or officers of the applicant or applicants having knowledge of the matters therein set forth.

§ 153.3 *Contents of application.* Every application shall set forth in the order indicated the following:

(a) The exact legal name of applicant;

(b) The name, title, and post office address of the person to whom correspondence in regard to the application shall be addressed;

(c) If a corporation, the State or Territory under the laws of which the applicant was organized, and the town or city where applicant's principal office is located. If applicant is incorporated under the laws of, or authorized to operate in more than one State, all pertinent facts should be stated;

(d) A statement giving the name and location of the field or fields in which the gas proposed to be exported or imported is produced and the most recent estimate of the remaining natural-gas reserves in such field or fields;

(e) If the application is for authority to export natural gas, state the name of the purchaser of the gas proposed to be exported, its proposed use in the foreign country, and the rate or rates proposed to be charged the purchaser for such gas, together with the rate or rates charged by the applicant for similar service, if rendered in the United States;

(f) If the application is for authority to import natural gas, state the name of the seller and of the producer of the gas proposed to be imported, and the rate or rates proposed to be paid by the applicant for the said gas;

(g) A description of the facilities utilized in the proposed exportation or the importation of natural gas;

(h) A statement of the reasons why the proposed exportation or importation of natural gas (1) will not be inconsistent with the public interest and (2) will not in any way impair the ability of applicant to render natural gas service at reasonable rates to its customers in the United States.

§ 153.4 *Required exhibits.* There shall be filed with the application and as a part thereof the following exhibits:

Exhibit A. Photostatic, or certified copy of articles of incorporation and by-laws of applicant company;

Exhibit B. A detailed statement of the financial and corporate relationship existing between applicant and any other person or corporation;

Exhibit C. Statement, including signed opinion of counsel, showing that the exportation or the importation of natural gas is within the corporate powers of applicant, and that applicant has complied with State laws and with the rules and regulations of State regulatory authorities in the State or States in which applicant operates;

Exhibit D. If the application is for authority to export natural gas, copy of the contract or contracts with purchasers in the foreign country of the natural gas proposed to be exported by applicant;

Exhibit E. If the application is for authority to import natural gas, copy of the contract or contracts with the producer or seller in the foreign country of the natural gas proposed to be imported;

Exhibit F. A general or key map on a scale not greater than 20 miles to the inch, showing the physical location of the facilities utilized in the applicant's proposed export or import operations. The map should indicate with particularity the ownership of such facilities at or on each side of the border between the United States and the foreign country.

Any exhibit required by this section already on file with the Commission may be incorporated by reference.

§ 153.5 *Other information.* The applicant shall furnish such additional information as the Commission may deem pertinent.

§ 153.6 *Transferability.* Authorizations to export natural gas from the United States to a foreign country or to import natural gas from a foreign country granted by order of the Commission under §§ 153.1 to 153.5 inclusive pursuant to section 3 of the Natural Gas Act shall not be transferable or assignable. The Commission order granting the authorization may, however, provide that the authorization shall continue in effect temporarily for a reasonable time in the event of the involuntary transfer of facilities used thereunder by operation of law (including such transfers to receivers, trustees, or purchasers under foreclosure or judicial sale) pending the making of an application for permanent authorization and decision thereon, provided notice is promptly given in writing to the Commission accompanied by a statement that the physical facts relating to sufficiency of supply, rates, and nature of use remain substantially the same as before the transfer and as stated in the initial application for such authorization.

The Commission may also, at any time subsequent to the original order of authorization, from time to time, after opportunity for hearing, make such supplemental orders in the premises as it may find necessary or appropriate.

§ 153.7 *Authorization not exclusive.* No authorization granted pursuant to section 3 of the Natural Gas Act shall be deemed to prevent authorization being granted to any other person to export natural gas from the United States to a foreign country or to import natural gas from a foreign country for the same use, or to prevent any other person from making application for such authorization.

§ 153.8 *Filing of rate schedules, notices, etc.* Persons authorized to export natural gas from the United States to a foreign country or to import natural gas from a foreign country shall file all rate schedules, supplements, notices of succession in ownership or operation, notices of cancellation, and certificates of concurrence with respect to such natural gas in the form and manner specified in the provisions of §§ 154.1 to 154.14 of this chapter.

APPLICATION FOR CONSTRUCTION, OPERATION, MAINTENANCE, OR CONNECTION AT INTERNATIONAL BOUNDARY, OF FACILITIES FOR EXPORTATION OR IMPORTATION OF NATURAL GAS

§ 153.10 *Who shall apply.* Any person, firm, or corporation contemplating the construction of, or who is operating or maintaining facilities at the borders of the United States, for the exportation or the importation of natural gas to or from a foreign country, shall file with the Commission an application for a Presidential Permit, in compliance with Executive Order 8202, dated July 13, 1939.

In connection with applications hereunder, attention is directed to the provisions of §§ 153.1 to 153.5, inclusive, relative to applications for authorization to export or import natural gas to or from a foreign country under section 3 of the Natural Gas Act.

§ 153.11 *Contents of application.* Every application shall set forth in the order indicated, the following:

(a) Information regarding applicant:

(1) The exact legal name of applicant;

(2) The name, title, and post office address of the person to whom correspondence in regard to the application shall be addressed;

(3) If applicant is a corporation: Copy of articles of incorporation and bylaws; the amount and classes of capital stock; nationality of officers, directors, and stockholders, and the amount and class of stock held by each;

(4) Is applicant company, or its transmission lines, owned wholly or in part by any foreign government or directly, or indirectly subventioned by any foreign government; or, has applicant company any understanding for such ownership or by subvention from any foreign government; if so give full details;

(b) A general or key map on a scale not greater than 20 miles to the inch, showing the physical location and giving a full description of the facilities employed, or to be employed in the exportation or importation of natural gas at the international boundary. The map should indicate with particularity the ownership of such facilities at or on each side of the border between the United States and the foreign country.

(c) Statement describing every existing contract that applicant has with a foreign government, or private concerns, which in any way relate to the control or fixing of rates for the purchase, sale or transportation of natural gas and which may serve in any way to restrict or prevent competing American companies from extending their activities; also, attach certified copies of such contracts;

(d) Copies of every landing license, or permit, which has been granted appli-

cant, or any predecessor, by a foreign government or by any of its agencies, in connection with the exportation or importation of natural gas.

§ 153.12 *Other information.* The applicant shall furnish such additional information, in connection with the application, as the Commission may deem pertinent.

PART 154—FILING OF RATE SCHEDULES

Sec.

154.1 Definition.
154.2 Effective rates and charges.
154.3 Filing of rate schedules, rates, charges, etc.
154.4 Identification and numbering of rate schedules.
154.5 Notice of cancellation or termination.
154.6 Notice of succession.
154.7 Rates established by order of the Commission.
154.8 Posting for public inspection.
154.9 Protests and complaints against rate changes.
154.10 Number of copies of rate schedules to be supplied.
154.11 Form and style of rate schedules.
154.12 Filing date.
154.14 Report of transactions.
154.17 Filing of rate schedules, notices, etc., by persons authorized to export or import natural gas between the United States and a foreign country.
154.20 Filing.
154.30 Natural gas companies to furnish the commission with copies of industrial rate contracts.

AUTHORITY: §§ 154.1 to 154.30, inclusive, issued under secs. 4, 8 and 16, 52 Stat. 822, 825, 830; 15 U. S. C. 717c, 717g (b), 717o.

§ 154.1 *Definition.* The term "rate schedule" as used herein shall include and mean any contract, agreement, lease of facilities or other writing, including supplements thereto, which specifies or affects the rates and charges to be assessed or collected for the transportation or sale of natural gas subject to the jurisdiction of the Commission, or which establishes any rule, regulation, classification, or practice affecting such rates and charges or the service rendered or to be rendered.

§ 154.2 *Effective rates and charges.* No natural gas company shall directly or indirectly demand, collect, or receive, for the transportation or sale of natural gas subject to the jurisdiction of the Commission, or for the lease or utilization of any facilities subject to the jurisdiction of the Commission, any rate or charge different from that prescribed in its rate schedule or schedules actually on file with the Commission, unless the Commission shall, for good cause shown, otherwise provide by order.

§ 154.3 *Filing of rate schedules, rates, charges, etc.*—(a) *Obligation to file.* Every natural gas company shall post and file with the Commission full and complete rate schedules clearly and specifically setting forth all rates and charges for any transportation or sale of natural gas, the classification, practices, and regulations affecting such rates, and all contracts which affect or relate to such rates, charges, classifications, or services as required by section 4 (c) of the Natural Gas Act. Where two or more natural gas companies are parties to the same rate schedule, each natural gas company furnishing service, transporting, selling, or pooling natural gas shall post and file such rate schedule, or the rate schedule may be filed by one such natural gas company and all other parties having an obligation to file may post and file a certificate of concurrence on the form indicated in § 250.2 of this chapter.

(b) *Newly established rates, charges, etc.* Unless otherwise provided by order of the Commission, every rate or charge for the transportation or sale of natural gas subject to the jurisdiction of the Commission, as well as any classification, practice, regulation or operation affecting such rate or charge and any contract or agreement which affects or relates to such rate, charge, classification, regulation or service which has not theretofore been in effect, shall be posted and filed with the Commission not less than ten days prior to the date upon which it is to become effective. As to each newly established rate or charge, there shall be submitted to the Commission:

(1) The date on which service thereunder is proposed to be initiated.

(2) An estimate of sales and revenues, by months, for the first 12 months of service under the proposed rate or charge. The estimate should be subdivided to show sales and revenues by classes of service, customers, and delivery points, when more than one is involved. Sales data should include quantities, demands, load-factors, or other determinants that may be involved in the computation of charges under the rate schedule.

(3) A comparison of the proposed rate with other rates of the company for similar service.

(c) *Changes in filed rates, charges, etc.* All rate schedules making a change in any rate, charge, classification, or service, on file with the Commission, or in any rule, regulation, or contact relating thereto shall be posted and filed with the Commission not more than 60 nor less than 30 days prior to the proposed effective date thereof, unless a shorter period of time is authorized by the Commission, and as to each proposed change there shall be submitted to the Commission at the same time:

(1) A statement of the reasons for the proposed change and, if an increase in rate or charge, a justification thereof. Data submitted in response to subsequent items may be included by reference as a part of the response to this item.

(2) A comparative statement of sales and revenues, by months, under the present and the proposed rates, for the 12 months immediately preceding and for the 12 months immediately succeeding the proposed effective date of the change in rates. Figures for actual sales and revenues should be used as far as possible, and any estimated figures should be designated as such. The statement should be subdivided to show sales and revenues by classes of service, customers, and delivery points when more than one is involved. Sales data should include quantities, demands, load-factors, or other determinants that may be involved in the computation of charges under the rates.

(3) A comparison of the proposed rate with other rates of the company for similar service in the same territory.

(4) If any additional facilities will be required, or if any facilities required for the present service will not be needed if the proposed rate becomes effective:

(i) A brief description of such additional or unused facilities.

(ii) A statement or estimate by main account classifications of the original cost of such additional or unused facilities.

(iii) An estimate of the resulting increase or decrease in annual fixed charges.

(iv) An estimate by main account classifications of the resulting increase or decrease in operating expenses.

(5) If the proposed rate will result in any change in the cost of service apart from a change in facilities covered by subparagraph (4):

(i) An estimate of the resulting increase or decrease in annual fixed charges.

(ii) An estimate by main account classifications of the resulting increase or decrease in operating expenses.

(6) If the proposed change is an increase in rates, other than for resale to industrial customers, then 60 days prior to the proposed effective date of the change the additional information listed below shall be submitted:

(i) A brief description of all facilities which have been used for the sale and transportation of natural gas under the rate or charge which has been effective. The description should list separately:

(*a*) Those facilities used solely in rendering service under the present rate, and

(*b*) Those facilities used jointly for rendering service under the present rate and for other purposes.

(ii) A statement or estimate of the original cost, both undepreciated and depreciated, by major account classifications as of most recent date available, of:

(*a*) Those facilities used solely in rendering service under the present rate;

(*b*) The portion of joint facilities allocable for service under the present rate, and the basis of all allocations;

(*c*) The total cost of facilities ((*a*) plus (*b*)) used in rendering service under the present rate.

If the original cost figures are not available and a reasonable estimate thereon cannot be prepared at the time, then book amounts for the required property classifications may be submitted.

(iii) An estimate of the annual fixed charges, by major items, such as taxes, depreciation, return, on the cost of the facilities included in subdivision (6) (ii) (*c*) of this subparagraph;

(iv) A statement or estimate by main account classifications of the operating expenses showing:

(*a*) Those expenses incurred solely for rendering service under the present rate;

(*b*) The portion of joint expenses allocable for rendering service under the present rate, and the basis of all allocations;

(*c*) The total expenses incurred for rendering service under the present rate.

If all or any portion of the foregoing information has already been submitted to the Commission then specific reference thereto may be made in lieu of refiling in response to the requirements of this rule.

Each natural-gas company having on file with the Commission an agreement or agreements providing for a current rate, charge, classification or service and incorporating therein an agreement for future or periodic change or changes in the currently effective rate, charge, classification or service shall, not more than 60 days nor less than 30 days prior to the proposed effective date of such change or changes, submit to the Commission the information and data required by this section, together with five copies of a concise statement of the proposed new rate, charge, classification, or service and any rule, regulation or contract relating thereto. Such concise statement will be officially designated by the Commission a proposed new rate, charge, classification or service filed pursuant to section 4 (d) of the Natural Gas Act.

(d) *Rates, charges, etc., made effective prior to date of filing upon order of the Commission.* For good cause shown, and upon application duly made at the time of filing, the Commission may by order provide that any rate schedule, charge, classification or service, or any rule, regulation, practice, or contract relating thereto, shall be effective as of a date prior to the date of filing.

(e) *Acceptance for filing not approval.* The acceptance for filing by the Commission of any rate, schedule, or supplement thereto, is not to be considered as approval of the reasonableness of any such rate schedule or any part thereof.

§ 154.4 *Identification and numbering of rate schedules.* (a) Every rate schedule filed will be numbered in the office of the Commission and the filing natural gas company advised of the Rate Schedule FPC number. Whenever a rate schedule offered for filing, changes, alters, or modifies any rate, charge, classification, or service, or any rule, regulation or contract relating thereto or provides additionally for a rate, charge, classification or service, or any rule, regulation, or contract relating thereto, but is dependent upon and amendatory of an existing rate schedule, it will be designated as a supplement to the existing rate schedule and will be so numbered.

(b) Every rate schedule offered for filing with the Commission under these rules shall show on a title page, which shall be otherwise blank, (1) the name of the filing natural gas company, (2) the names of other natural gas companies receiving or rendering service under the rate schedule, and (3) a brief description of the service to be provided thereunder.

§ 154.5 *Notice of cancellation or termination.* When a rate schedule (as defined in § 154.1) is proposed to be cancelled, or by its own terms is to terminate, and no new rate schedule is filed in its place, each natural-gas company required to file such rate schedule shall notify the Commission of the proposed cancellation or termination, on form indicated in § 250.3 of this chapter at least 60 days prior to the proposed effective date of cancellation or termination. A copy of such notice to the Commission shall show that notice has been served upon each party to the rate schedule and has been duly posted in the manner provided in § 154.8.

The following information shall be submitted to the Commission with such notice:

(a) In the event no negotiations are under way for a continuance of the service;

(1) The reasons for the proposed discontinuance of service;

(2) The provisions, if any, being made by the purchaser for substitute service; and

(3) Whether or not each of the other parties to the agreement approve or disapprove of its cancellation or termination;

(b) In the event negotiations are under way for a continuance of the service—a full statement of the plan proposed and the status of such negotiations.

§ 154.6 *Notice of succession.* Whenever, the name of a natural gas company is changed, or its operating control is transferred to another natural gas company in whole or in part, or a receiver or trustee is appointed to operate any natural gas company, the exact name of the natural gas company, receiver, or trustee which will operate the property thereafter shall be filed within 30 days after such change, transfer or appointment with the Commission on the form indicated in § 250.4.

§ 154.7 *Rates established by order of the Commission.* Every rate schedule filed to make effective the rates, charges, classifications, or services or any rule or regulation relating thereto, established in conformity with an order of the Commission shall bear the following additional notation on the title page, viz.:

Issued in Compliance with an Order
of the Federal Power Commission
Docket No. ----------
Entered -------- day of -------

§ 154.8 *Posting for public inspection.* A true copy of every rate schedule required to be filed with the Commission shall be posted by each natural gas company, not later than the date of filing with the Commission, by keeping such rate schedules open and available for public inspection in a convenient form and place, during ordinary business hours at its principal and district or division offices in the territory served.

§ 154.9 *Protests and complaints against rate changes.* Every protest and complaint concerning any rate, charge, classification or service, or any rule, regulation, or contract relating thereto may be filed at any time prior to the date upon which such rate, charge, classification, or service, or rule, regulation, or contract relating thereto is proposed to become effective.

§ 154.10 *Number of copies of rate schedules to be supplied.* Two copies of every rate schedule, certificate of concurrence, notice of succession in ownership or operation, and notice of cancellation submitted for filing must be supplied to the Commission. Both copies are to be included in one package, together with a letter of transmittal listing all rate schedules included and addressed to the Federal Power Commission, Washington, D. C. The Commission reserves the right to request such additional copies of any of the above mentioned instruments as it may find necessary or appropriate to carry out the provisions of the Natural Gas Act.

§ 154.11 *Form and style of rate schedules.* All rate schedules filed under these rules must be printed, or if printed copies are not available, must be typewritten on paper 8½ inches wide by 11 inches long. Photostatic copies on white paper, in lieu of written or printed copies, may be filed. All copies must be clear and legible and complete as to signatures, dates, and other essential data. The Commission reserves the right to reject any rate schedule that does not meet the requirements of this section.

§ 154.12 *Filing date.* By filing date is meant the date on which a rate schedule submitted by a natural gas company is received in the office of the Secretary of the Commission, unless rejected by the Commission for failure to comply with provisions of this subchapter.

§ 154.14 *Report of transactions.* On or before January 20, 1939, every natural gas company shall report to the Commission the amount of natural gas transported or sold in each month during the six months period ending December 31, 1938, under each rate schedule on file with the Commission during said period, together with the consideration received from each sale so reported.

§ 154.17 *Filing of rate schedules, notices, etc., by persons authorized to export or import natural gas between the United States and a foreign country.* Reference is hereby made to the provisions of § 153.8 requiring persons authorized to export natural gas from the United States to a foreign country or import natural gas from a foreign country to the United States to file rate schedules, supplements, notices of succession in ownership or operation, notices of cancellation, and certificates of concurrence with respect to such natural gas.

§ 154.20 *Filing.* (a) Each natural gas company as defined in the Natural Gas Act shall file with the Commission, at its Washington, D. C., office on or before August 1, 1942, one full and complete copy of every contract then effective for the sale or delivery of natural gas, directly or through any affiliate or subsidiary, in which contract is involved:

(1) The actual or estimated sale or delivery of 100,000 M c. f. or more of natural gas per year to any agency of the United States; or

(2) Any provision or term (regardless of the quantity of natural gas involved) requiring any agency of the United States to:

(i) Make an advance or a contribution toward or for the cost of all or any portion of any facility used to furnish service; or

(ii) Construct, install, maintain, operate or own all or any portion of any such facility;

(b) Each natural gas company as defined in the Natural Gas Act shall file with the Commission, at its Washington, D. C. office on or before August 1, 1942, one full and complete copy of every contract then effective for the sale or delivery of natural gas directly or through any affiliate or subsidiary in which contract is involved:

(1) The actual or estimated sale or delivery of 100,000 M c. f. or more of natural gas per year to any party whose contract for the purchase or receipt of natural gas requires the approval or concurrence of any agency of the United States; or

(2) Any provision or term (regardless of the quantity of natural gas involved) requiring any such party to:

(i) Make any advance or a contribution toward or for the cost of all or any portion of any facility used to furnish service; or

(ii) Construct, install, maintain, operate, or own all or any portion of any such facility;

(c) Each natural gas company as defined in the Natural Gas Act shall file with the Commission at its Washington, D. C. office, one full and complete copy of any contract of the character specified in paragraphs (a) and (b) of this section, which becomes effective after August 1, 1942, within 15 days after the effective date of such contract;

(d) For the purposes of this order and as used herein:

(1) "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas;

(2) "Contract" includes any contract, agreement, or undertaking, and any modification thereof, and all rate schedules, agreements, leases, or other writings, tariffs, classifications, services, rules and regulations relative to the sale or delivery of natural gas under such contract;

(3) "Agency of the United States" means any agency, authority, corporation, department, or instrumentality of the United States.

§ 154.30 *Natural-gas companies to furnish the Commission with copies of industrial rate contracts.* Every natural-gas company shall currently furnish to the Commission two full and complete copies of every contract and the amendments thereto, presently or hereafter effective, for the direct sale of natural gas to industrial consumers for consumption where such contract involves the sale of 100,000 M. c. f. per year or more, together with all rate schedules, agreements, leases or other writings, tariffs, classifications, services, rules and regulations relative to such sale; *Provided, however,* That when such a presently filed contract is renewed or extended on identical terms except as to the period during which it is to be in effect, the natural-gas company may notify the Commission of such renewal or extension by letter, in duplicate, stating the date of the renewal or extension agreement and the period during which it is to be in effect, instead of furnishing to the Commission two copies of such renewal or extension agreement.

PART 157—APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY UNDER SECTION 7 OF THE NATURAL GAS ACT AS AMENDED

APPLICATIONS UNDER SECTION 7 (C), AS AMENDED, FOR CERTIFICATES FOR CONTINUED OPERATION BASED ON BONA FIDE OPERATION ON FEBRUARY 7, 1942 (UNDER "GRANDFATHER" CLAUSE)

Sec.
157.1 Contents of application.
157.2 Necessary exhibits.
157.3 Form of filing.
157.4 Other information.

APPLICATIONS UNDER SECTION 7 OF THE NATURAL GAS ACT AS AMENDED FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY FOR CONSTRUCTION, EXTENSION, ACQUISITION, OPERATION, ETC. (NON-"GRANDFATHER" CLAUSE CERTIFICATES)

157.5 Contents of application.
157.6 Exhibits.
157.7 Form of filing.
157.8 Other information.

APPLICATIONS FOR TEMPORARY CERTIFICATES FOR CONSTRUCTION, EXTENSION, ACQUISITION, OPERATION, ETC., UNDER SECTION 7 (C) OF THE NATURAL GAS ACT AS AMENDED

157.9 Applications.

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157.10 Notice and hearings on applications for non-"grandfather" clause certificates.
157.12 Transferability; temporary continuance of authorization.

AUTHORITY: §§ 157.1 to 157.12, inclusive, issued under secs. 7 and 16, 52 Stat. 824, 830, 56 Stat. 83; 15 U. S. C. and Sup. 717*f*, 717*o*.

APPLICATIONS UNDER SECTION 7 (C), AS AMENDED, FOR CERTIFICATES FOR CONTINUED OPERATION BASED ON BONA FIDE OPERATION ON FEBRUARY 7, 1942 (UNDER "GRANDFATHER" CLAUSE)

§ 157.1 *Contents of application.* Every application for a certificate of public convenience and necessity under section 7 (c) of the Natural Gas Act as amended for continued operation based on bona fide operations on February 7, 1942, shall be filed with the Commission on or before May 8, 1942, and shall set forth in the order indicated the following:

(a) The exact legal name of of the applicant; if the applicant is a corporation, the state or territory under the laws of which the applicant is organized, the location of applicant's principal place of business, and the names of all states where applicant is authorized to do business.

(b) The same data required by paragraph (a) above with respect to any predecessor in interest of the applicant bona fide engaged in the transportation or sale of natural gas subject to the jurisdiction of the Commission on February 7, 1942.

(c) The name, title, and post office address of the person to whom correspondence or communications in regard to the application is to be addressed. Unless advised to the contrary, the Commission will serve all notices, orders, and other papers, service of which is required, upon the person so named herein.

(d) A statement of pertinent facts showing that applicant or a predecessor in interest of applicant was a natural-gas company within the meaning of the Natural Gas Act and was bona fide engaged in transportation of natural gas in interstate commerce or sale of natural gas in interstate commerce for resale on February 7, 1942, and that applicant is entitled to a certificate of public convenience and necessity under section 7 (c) of the Natural Gas Act as amended.

Without limitation upon the requirements of the paragraph next above, such statement shall include a showing of:

(1) The sources of the gas (i) produced by applicant or predecessor and (ii) purchased by applicant or predecessor. In case of gas produced, give the approximate location of the fields and the points of delivery, and in the case of gas purchased, the names of the sellers and points of delivery.

(2) The route or routes of the pipe lines over which such transportation or sale of natural gas was accomplished.

(3) The communities actually served on February 7, 1942 (i) at wholesale and (ii) at retail.

(4) The names of, and points of delivery to, main line industrial customers (i. e., not located within communities under (3) above) purchasing 25,000 M. c. f. or more per year. Such main line industrial customers, purchasing 100,000 M c. f. or more per year, shall be given the identifying designations I–1, I–2, etc., which designations shall be used in lieu of names on Exhibit B of the application.

(5) Major appurtenant properties and facilities, such as compressor stations, gasoline plants, dehydration plants, purification plants, and gas storage projects.

(e) A similar statement of pertinent facts showing that applicant, or predecessor, in interest, if any, has been bona fide engaged in the operations described in paragraph (d) continuously since February 7, 1942.

Notice of the application shall be given by applicant by service of a true copy of the application (without the exhibits provided for in § 157.2 following) upon the state regulatory commission, agency, or official having authority to regulate the transportation or sale of gas in every state in which applicant operated on February 7, 1942, or upon the governor of the state when there is no such state regulatory commission, agency, or official, by delivery of said copy in person or by registered mail.

§ 157.2 *Necessary exhibits.* There shall be filed with the application as a part thereof the following exhibits. Any information required which is already on file with the Commission may be incorporated by reference. If applicant is unable to file any designated exhibit on or before May 8, 1942, a statement setting forth the reasons for such failure should be submitted in lieu of the appropriate lettered exhibit and a further extension of time for filing the exhibit, not to exceed 90 days, may be granted by the

Commission. The following required exhibits are designed to amplify paragraphs (a) through (e) of § 157.1.

Exhibit A. If applicant is a corporation, a certified copy or photostat of its articles of incorporation and by-laws.

Exhibit A–1. If applicant is a corporation, certified copies or photostats of any and all evidences of domestication in or authorization to do business in any state or states other than the state of incorporation involved in the application.

Exhibit A–2. If applicant is an individual, or group of individuals, satisfactory proof of the citizenship of such individual or individuals.

Exhibit A–3. A certified copy or photostat of the resolution of the board of directors or other similar legal authority authorizing the filing of the application.

Exhibit B. A general key map of applicant's facilities in use on February 7, 1942, for the production, transportation, or sale of natural gas showing:

(a) The location of gas fields from which gas is produced by applicant or affiliated companies or at which gas is purchased by applicant.

(b) The location of applicant's pipe lines and the diameters thereof.

(c) The points of connection with the facilities or pipe line systems of other companies.

(d) The designation of points of delivery of gas to applicant's system.

(e) The communities served at wholesale and at retail, indicating those served at wholesale by a small square and those at retail by a small circle.

(f) The designation of points of delivery of gas from applicant's system, including points of delivery to main line industrial customers purchasing 100,000 M. c. f. or more per year. Such main line industrial customers are to be designated I–1, I–2, etc. as indicated in § 157.1 (d) above.

The map should be of sufficient scale and in sufficient detail to show the geographical location of the properties. Applicant may be required to furnish the Commission with additional alignment or field maps in support of the application.

Every natural-gas company is hereby ordered and required to keep on hand in its offices subsidiary alignment and field maps properly marked and maintained showing all the facts required in connection with Exhibit B above with sufficient certainty to establish beyond doubt the extent and location of its said facilities in use on February 7, 1942, and to be prepared to furnish information relative thereto or copies thereof at any time to the Commission.

Exhibit C. Certified copy of any order or franchise of any state or municipal agency authorizing applicant's or predecessor's operations and of any order authorizing transfer of such authority to applicant.

Exhibit D. An affidavit of the required service of copies of the application by delivery or registered mail in compliance with the provisions of § 157.1 above, specifying the name and address of the state commission, agency, or official served, with the date and place of service.

Exhibit E. The applicant may submit as many additional exhibits as may be deemed essential for consideration of the application. Such exhibits may be identified as Exhibit F, etc., or may be given sub-numbers, such as Exhibit C–1, etc., as appropriate.

§ 157.3 *Form of filing.* An application under §§ 157.1 and § 157.2 shall be in compliance with § 1.15 and § 1.17, and in addition the original of the application (which shall include the originals of all exhibits accompanying said application) shall be verified under oath by a person having knowledge of the matters therein set forth.

§ 157.4 *Other information.* The applicant may be required to furnish such additional information as the Commission may deem pertinent.

APPLICATIONS UNDER SECTION 7 OF THE NATURAL GAS ACT AS AMENDED FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY FOR CONSTRUCTION, EXTENSION, ACQUISITION, OPERATION, ETC. (NON-"GRANDFATHER" CLAUSE CERTIFICATES)

§ 157.5 *Contents of application.* Applications for certificates of public convenience and necessity for construction, extension, acquisition, operation, etc., under section 7 of the Natural Gas Act as amended, other than under the "grandfather" clause of section 7 (c), shall set forth in the order indicated the following, incorporating any data already on file with the Commission by reference:

(a) The exact legal name of the applicant; if the applicant is a corporation, the state or territory under the laws of which the applicant was organized, the location of applicant's principal place of business, the names of all states where applicant is authorized to do business; and a concise but comprehensive description of the existing business, operations and properties of the applicant, with particular reference to the transportation and sale of natural gas.

(b) The name, title and post office address of the person to whom correspondence or communications in regard to the application are to be addressed. Unless advised to the contrary, the Commission will serve all notices, orders, and other papers, service of which is required, upon the person so named.

(c) A brief but accurate description of the project or facilities for which a certificate is sought and the dates on which it is intended to begin and complete construction or acquisition.

(d) A statement setting forth the service proposed to be rendered by applicant, showing communities, proposed to be served presently and within the next five years, with the population of each, main line industrial customers, sales or interchange with other natural-gas companies, and any other service. In describing such other service, furnish:

(1) The name of any other gas company rendering service within any county (or other local territorial unit of similar size where not within a county) in which any community or customer to be served by applicant is located, together with a general statement of pertinent facts as to the extent and nature of such existing service, specifying whether such other gas company is serving natural, artificial or mixed gas.

(2) A detailed statement or pertinent facts as to existing service by such gas company, including a showing as to (i) the adequacy of the present service and plant, and available supplies of gas, (ii) the public need for further service, and (iii) the potential market which could be served economically through the proposed extension of facilities.

(e) A description of the facilities proposed to be constructed, acquired, or operated, giving, insofar as such information may be pertinent, the size, capacity, length and location of gathering lines, transmission lines and laterals; the extent of distribution systems; the location, rated horsepower and capacity of all compressor stations; the location and description of other important property units; a description of the proposed manner or method of operating said proposed facilities, including proposed operating pressures, the capacity of the proposed facilities, estimates of maximum and minimum day demands, and any other pertinent facts showing that such facilities will be capable of performing adequately the services which applicant purposes to render. In connection herewith the applicant shall furnish:

(1) A sketch map delineating the size and location of applicant's proposed pipe lines, the communities to be served, the points of connection with existing facilities and the location of any gas fields representing a new source of supply to be utilized in connection with the proposed facilities;

(2) A statement setting forth all contracts for the construction, purchase or lease of the proposed facilities and giving the affiliation, if any, between applicant and any other party to said contracts.

(f) A statement of the gas reserves which are to supply the market which is proposed to be served, and an estimate of their expected life in years.

(g) A statement setting forth all facts bearing upon economic feasibility, including:

(1) The estimated total overall capital cost of the proposed extension or acquisition, including all expenditures involved in the construction or acquisition of the proposed facilities, proposed costs of financing, franchises, working capital, and other incidental costs, with a brief statement of applicant's proposed plan of financing.

(2) A detailed statement of the extent to which such plan is supported by firm or contingent commitments from all financial sources, including commitments from banks, trust companies, insurance companies, investment bankers, steel companies, pipe line supply companies, or other sources.

(3) A statement showing estimates of (i) total revenues expected from the proposed new facilities to be constructed, acquired or operated, (ii) total fixed charges, (iii) total operating expenses.

(4) A general statement covering the rates proposed to be charged by applicant for each kind of natural gas service proposed to be rendered, and the expected sales, revenues, average revenue per M c. f. and average revenue per therm, to be derived therefrom.

(h) A general description of the proposed method of supervising the operation of the proposed project, including reference to any relevant service or management contracts, existing or contemplated.

(i) During war or other emergency, a detailed statement of pertinent facts showing the relation, if any, of the proposed facilities and service to such emergency.

(j) A statement of any other facts and circumstances upon which applicant re-

lies to establish that present or future public convenience and necessity require the new construction, acquisition or operation of such facilities.

Wherever volumes of gas are mentioned in an application filed under this section or an exhibit later filed under § 157.6, such volumes shall be computed upon a uniform pressure base and such pressure base shall be clearly set forth therein.

§ 157.6 *Exhibits.* The applicant may be required by the Commission to file, at any time during its consideration of such application, in addition to the application and as part thereof, any or all of the following exhibits. The following exhibits are designed to amplify paragraphs (a) through (j) of § 157.5:

Exhibit A. If applicant is a corporation, a certified copy or photostat of its articles of incorporation and bylaws.

Axhibit A–1. If applicant is a corporation, certified copies or photostats of any and all evidences of domestication in or authorization to do business in any state or states other than the state of incorporation involved in the application.

Exhibit A–2. List of names and business addresses of all officers and directors of applicant.

Exhibit A–3. If applicant is an individual, or group of individuals, satisfactory proof of citizenship of such individual or individuals.

Exhibit A–4. If the applicant or any officer or director thereof directly or indirectly owns, controls or holds with power to vote 10 per centum or more of the outstanding voting securities of any other person or company engaged in the production, transportation, or sale of natural gas, a detailed statement showing the financial and corporate relationship existing between the applicant or any officer or director thereof and all such other persons or companies, including the percentage of voting power represented by such ownership of such securities. If any person or company directly or indirectly owns, controls or holds with power to vote, 10 per centum or more of the outstanding voting securities of the applicant, a statement of the financial and corporate relationship existing between the applicant and all such other persons or companies.

Exhibit B. A certified copy or a photostat of the resolution of board of directors or other similar legal authority authorizing the filing of the application.

Exhibit C. A map showing applicant's proposed facilities for the transportation and sale of natural gas together with the facilities or pipe line systems of other gas companies operating in the general territory of the proposed facilities. This map should be of sufficient scale and in sufficient detail to show the geographical location of the properties, and should show:

(a) The location of applicant's proposed pipe lines and the diameters thereof,

(b) The communities to be served at wholesale or at retail, indicating those served at wholesale by a small square and those at retail by a small circle.

(c) The points of connection with the facilities or pipe lines of other companies.

(d) The location of gas fields which are to be the source of supply for the proposed facilities.

Applicant may also be required to furnish the Commission with alignment (right-of-way) maps in support of the application.

Applicant, if granted a certificate hereunder, is ordered and required to keep on hand in its offices subsidiary alignment and field maps properly marked and maintained showing all the facts required in connection with Exhibit C immediately preceding, and to be prepared to furnish information relative thereto or copies thereof at any time to the Commission.

Exhibit D. A forecast of the business proposed to be obtained in the market proposed to be served; including estimates of the numbers of domestic, commercial, and industrial customers expected to be obtained during each of the first five years of operation, their estimated annual requirements of natural gas, and estimated peak-day demand requirements by character of delivery for each of the first five years.

Exhibit D–1. Copies of any market surveys or studies prepared by or for the applicant. Points of delivery from main transmission lines indicated in such market surveys should be referenced to the general map required as Exhibit C above.

Exhibit D–2. Photostatic or certified copies of all contracts held by the applicant for the sale of natural gas from the proposed facilities.

Exhibit D–3. If applicant intends to engage in the distribution of natural gas from any of the proposed facilities, a statement outlining such distribution plans, including rates to be charged.

Exhibit D–4. Photostatic or certified copies of all franchises held by applicant in connection with the proposed project. Certified copies of any orders of any state or municipal agency in connection with applicant's proposed operations.

Exhibit E. A statement of specifications, prices, estimates, and any other information relating to the cost of construction or acquisition of all the proposed facilities. The estimated cost of construction should be stated separately by operating units, showing pipe lines by sizes, river crossings, compressor stations, and other accessory equipment, with the costs of material separate from the costs of labor.

Exhibit E–1. A statement of depreciation and depletion rates proposed to be established, and the basis therefor, by primary plant accounts prescribed by this Commission in its Uniform System of Accounts for Natural Gas Companies.

Exhibit E–2. Photostatic or certified copies of any and all contracts for the construction, purchase or lease of the proposed facilities, with a statement describing the affiliation of applicant with any other party to said contracts.

Exhibit F. An estimate of the natural gas reserves in the fields from which applicant proposes to secure natural gas to supply the proposed project. This report should show:

(1) Gas reserves (M c. f.) by fields and producing horizons, classified as operated or unoperated and as owned or controlled,

(2) The methods used in estimating the volumetric gas reserves,

(3) Annual withdrawals of gas (M c. f.) from each gas reserve for each of the most recent three years,

(4) Average initial and current rock pressures by fields and producing horizons,

(5) The B. t. u. content of the natural gas reserves.

(6) Open flow capacities of producing wells owned or controlled by the applicant, by fields, and the deliverability of these wells under safe operating conditions or conservation limitations, and

(7) The number and location of wells presently owned or controlled by applicant, with a statement of any proposed drilling program which may be planned.

Exhibit F–1. A map of each field from which natural gas is to be procured to supply the proposed project showing clearly all leaseholds, mineral interests, pipe lines, and wells owned, operated or contracted for by the applicant.

Exhibit F–2. Photostatic copies of all contracts or agreements which provide for the purchase of any of the natural gas supply for the proposed project.

Exhibit G. A balance sheet and income statement of applicant, as of the most recent date available.

Exhibit G–1. Full and complete description of applicant's proposed plan of financing, with photostatic or certified copies of all contracts relating thereto.

Exhibit G–2. Photostatic or certified copies of any and all firm or contigent commitments covering the financing proposed by applicant. There should be included copies of mortgages, deeds of trust, indentures, agreements to advance supplies (steel pipe, compressor engines, etc.) or labor in return for applicant's securities, underwriting contracts, or documents of a similar nature.

Exhibit G–3. Full and complete statement of the rates to be charged for service from the proposed facilities. This should be supplemented, if possible, by copies of samples of rate schedules applicant proposes to use.

Exhibit G–4. For the first full year's operation of the proposed new facilities a detailed statement showing for each point of delivery and by classes of service—

(1) Rate or rate schedule applicable.
(2) Estimated deliveries in M c. f.
(3) Estimated deliveries in therms.
(4) Estimated revenue.
(5) Average revenue per M c. f.
(6) Average revenue per therm.

Exhibit G–5. Statement of and comparison with rates charged by other gas companies serving the markets and territory involved.

Exhibit G–6. Estimates by years, for the first five years, of expected operating revenues and operating expenses in connection with the proposed project. In preparing this exhibit, it is desirable to follow as closely as possible the accounting procedure and forms set forth in the Uniform System of Accounts for Natural Gas Companies prescribed by this Commission.

Exhibit H. Photostatic or certified copies of service or management contracts of applicant.

Exhibit I. In case of war or emergency applications where applicant must also file a project or preference rating application with the War Production Board, a copy of such application and any order issued thereon.

Other Exhibits. The applicant may submit as many additional exhibits as may be deemed essential for consideration of the application. Such exhibits may be identified as Exhibit L, M, etc., if supplementary, or may be given subnumbers such as Exhibit C–4, K–1, etc., if in amplification.

§ 157.7 *Form of filing.* An application under § 157.5 except as otherwise provided, shall be executed, filed and served in compliance with § 1.15, and § 1.17, and in addition the original of the application shall be verified under oath by a person having knowledge of the matters therein set forth.

§ 157.8 *Other information.* Any applicant under § 157.5 may be required to furnish such additional information as the Commission may deem pertinent.

APPLICATIONS FOR TEMPORARY CERTIFICATES FOR CONSTRUCTION, EXTENSION, ACQUISITION, OPERATION, ETC., UNDER SECTION 7 (C) OF THE NATURAL GAS ACT AS AMENDED

§ 157.9 *Applications.* In cases of emergency, to assure maintenance of adequate service or to serve particular customers, application may be made to the Federal Power Commission by letter or telegram, for a temporary certificate under section 7 (c) of the Natural Gas Act as amended, stating clearly and specifically the exact character of the emer-

gency situation, the proposed method of meeting it, and the facts warranting the issuance of a temporary certificate; *Provided*, That with respect to all emergencies which may continue for more than 30 days, within 10 days after such application for a temporary certificate, the applicant shall file an application for a permanent certificate pursuant to § 157.5.

NOTICE AND HEARING ON APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY FOR CONSTRUCTION, EXTENSION, ACQUISITION, OPERATION, ETC., (NON-"GRANDFATHER" CLAUSE CERTIFICATES) UNDER SECTION 7 OF THE NATURAL GAS ACT AS AMENDED

§ 157.10 *Notice and hearings on applications for non-"grandfather" clause certificates.* Upon the filing of an application for a certificate of public convenience and necessity under section 7 of the Natural Gas Act as amended for construction, extension, acquisition, operation, etc. (non-"grandfather" clause certificate), notice of such filing will be given by the Commission to all interested State commissions, municipalities, senators and governors of States, and any other persons, firms, corporations, organizations, or governmental agencies apparently interested or whose participation in the proceeding may be in the public interest, by causing such notice to be published in the FEDERAL REGISTER and by mailing copies thereof to persons, firms, corporations, organizations or agencies specified above, deemed by the Commission, in its discretion, to have a sufficient interest to be entitled to notice. Any person, firm, corporation, organization, or governmental agency desiring to receive such notice of applications, may, upon request, be placed upon a list to be maintained by the Commission and shall thereupon be mailed copies of all such notices of applications.

Such notices of applications shall be drawn in sufficient detail to advise all those interested (a) as to the nature and general description of the facilities proposed to be constructed, extended, acquired, or operated, including the size and approximate cost of the line or other facilities; (b) the capacity or increase in capacity of facilities; (c) the source of any new or additional gas supply; (d) the nature of the service proposed to be rendered, the companies or communities proposed to be served, and the estimated volume or increase in volume of annual gas sales; and (e) the claimed necessity for such proposed construction, extension, acquisition, operation or service. Such notice shall further fix a time not to exceed 15 days within which any person or party desiring to be heard or make any petition or protest with reference to the application may file a protest, request for hearing, notice of intention to intervene, or petition to intervene. No protest may be filed after the time fixed in the notice except by permission of the Commission granted upon a showing of reasonable grounds for failure to file the protest within the time allowed.

If a protest, request for hearing, notice of intention to intervene, or petition to intervene is filed within the time specified in the notice of application, in the judgment of the Commission raising an issue of substance requiring a hearing, the Commission will set the matter down for hearing as to such issue, pursuant to § 1.20 of this chapter.

If no protest, request for hearing, notice of intention to intervene, or petition to intervene is filed within such time, the Commission will set the case down for hearing on a day certain by an order which will state that, if no protest by permission as provided in this section or petition to intervene has been filed, or intervention allowed as provided in § 1.8 of this chapter, prior to the date fixed for hearing, or if the protest or petition filed, in the judgment of the Commission, raises no issue of substance, the Commission may dispose of the application without contested hearing by order upon the application and evidence filed or available to the Commission and such additional evidence as the Commission may require to be filed for its consideration. Such order for hearing shall be published in the FEDERAL REGISTER and copies thereof mailed to all persons or parties to whom the notice of filing applications was mailed or who, by protest or otherwise, have evinced a sufficient interest. If, thereafter, no protest or petition to intervene is filed or intervention allowed, or if the protest or petition filed raises no issue of substance, as provided in this section, the Commission may dispose of the application without contested hearing by order as provided in this section.

§ 157.12 *Transferability; temporary continuance of authorization.* Ceritficates of public convenience and necessity (whether "grandfather" clause or non-"grandfather" clause certificates) issued under section 7 of the Natural Gas Act, are not transferable. However, authorization thereunder may continue in effect for a period not to exceed two years, in the event of the involuntary transfer of the facilities used thereunder by operation of law (including such transfers to receivers or trustees).

The Commission may also make such supplemental orders in the premises as it may find necessary or appropriate for the purposes of the act.

PART 158—ACCOUNTS, RECORDS, AND MEMORANDA

ADJUSTMENT OF ACCOUNTS AND REPORTS

Sec.
158.1 Notice of deficiencies.
158.2 Response to notification.
158.3 Facts and argument.
158.4 Form and style.
158.5 Verification.
158.6 Determination.
158.7 Assignment for oral hearing.
158.8 Burden of proof.

AUTHORITY: §§ 158.1 to 158.8, inclusive, issued under secs. 8 and 16, 52 Stat. 825, 830; 15 U. S. C. 717g, 717o.

ADJUSTMENT OF ACCOUNTS AND REPORTS

§ 158.1 *Notice of deficiencies.* If, as the result of an examination by a representative of the Commission of the accounts of a person subject to the act and to the Commission's accounting requirements, or of an examination of any statement or report submitted by such person, it appears that the accounts, or any books or records pertaining to or in support thereof, are not being kept and maintained as required by the Commission, or that the statements or reports prepared and submitted are not in proper form, the failure or deficiency will be called to the attention of such person either formally or informally as the circumstances appear to warrant.

§ 158.2 *Response to notification.* If, as the result of such formal or informal notice, the matter is not adjusted within the time fixed by said notice, or within a reasonable time in case no date is specified, or if there is a disagreement between such person and the Commission or its representative respecting the application or interpretation of the act or requirements of the Commission with respect to the matter at issue, such person will be requested to advise the Commission in writing within a time to be specified whether it consents to the disposition of the questions involved under the shortened procedure hereinafter provided.

§ 158.3 *Facts and argument.* If the person consents to the matter being handled under such shortened procedure, the person and any other parties interested, including representatives of the Commission, shall submit to the Commission, within 30 days after the receipt of notice from the Commission to do so, a memorandum of the facts and, separately stated, of the argument relied upon, to sustain the position taken respecting the matter at issue together with copies in sufficient number to enable the Commission to retain three copies for its own use and make service in accordance with § 1.17 of this chapter upon all parties designated in said notice. Twenty days will be allowed in which to file a reply by any party who filed an original memorandum.

§ 158.4 *Form and style.* All memoranda must conform to the requirements of § 1.15 of this chapter, and each copy must be complete in itself. All pertinent data should be set forth fully, and each memorandum should set out the facts and argument as prescribed for briefs in § 1.29 of this chapter.

§ 158.5 *Verification.* The facts stated in the memorandum must be sworn to by persons having knowledge thereof, which latter fact must affirmatively appear in the affidavit. Except under unusual circumstances, such persons should be those who would appear as witnesses if hearing were had to testify as to the facts stated in the memorandum.

§ 158.6 *Determination.* If no formal hearing is had the matter in issue will be determined by the Commission on the basis of the facts and arguments submitted.

§ 158.7 *Assignment for oral hearing.* In case consent to the shortened procedure is not given, or if at any stage of the proceeding prior to the submission of the case to the Commission any party in interest requests a hearing, the proceeding will be assigned for hearing as provided for by § 1.20 of this chapter. The Commission may also in its discretion set the proceeding for hearing on its own motion at any stage thereof.

§ 158.8 *Burden of proof.* The burden of proof to justify every accounting entry shall be on the person making, authorizing, or requiring such entry.

Subchapter F—Accounts, Natural Gas Act

PART 201—UNIFORM SYSTEM OF ACCOUNTS FOR NATURAL GAS COMPANIES

GENERAL PROVISIONS

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201.250:3 Reserve for abandoned leases.
201.251 Reserve for amortization of other limited-term gas investments.
201.252 Reserve for amortization of gas plant acquisition adjustments.
201.253 Reserve for depreciation and amortization of other property.
201.254 Reserve for uncollectible accounts.
201.255 Insurance reserve.
201.256 Injuries and damages reserve.
201.257 Employees' provident reserve.
201.258 Other reserves.

Contributions in Aid of Construction

201.265 Contributions in aid of construction.

Surplus

201.270 Capital surplus.
201.271 Earned surplus.

INSTRUCTIONS, GAS PLANT ACCOUNTS

201.3–1 Purpose of gas plant accounts.
201.3–2 Classification of gas plant at effective date of system of accounts.
201.3–3 Gas plant to be recorded at cost.
201.3–4 Gas plant purchased.
201.3–5 Components of construction cost.
201.3–6 Overhead construction costs.
201.3–7 Leased property, expenditures on.
201.3–8 Temporary facilities.
201.3–9 Land and land rights.
201.3–10 Structures and improvements.
201.3–11 Equipment.
201.3–12 Additions and retirements of gas plant.
201.3–13 Work order system required.
201.3–14 Transfers of property.
201.3–15 Common utility plant.
201.3–16 Transmission and distribution plant.

GAS PLANT ACCOUNTS

INTANGIBLE PLANT

201.301 Organization.
201.302 Franchises and consents.
201.303 Miscellaneous intangible plant.

PRODUCTION PLANT

Manufactured Gas Production Plant

Sec.
201.311 Land and land rights.
201.312 Structures and improvements.
201.313 Boiler plant equipment.
201.314 Other power equipment.
201.315 Benches and retorts.
201.316 Coke ovens.
201.317 Producer gas equipment.
201.318 Water gas generating equipment.
201.319 Petroleum gas equipment.
201.320 Other gas generating equipment.
201.321 Coal, coke, and ash handling equipment.
201.322 Gas reforming equipment.
201.323 Purification equipment.
201.324 Residual refining equipment.
201.325 Other production equipment.

Natural Gas Production Plant

201.330:1 Natural gas producing lands.
201.330:2 Natural gas producing leaseholds.
201.330:3 Natural gas rights.
201.330:4 Rights-of-way.
201.330:5 Other land and land rights.
201.331:1 Gas well structures.
201.331:2 Field measuring and regulating station structures.
201.331:3 Other production system structures.
201.332:1 Producing gas wells—well construction.
201.332:2 Producing gas wells—well equipment.
201.333:1 Field lines.
201.333:2 Field measuring and regulating station equipment.
201.334 Drilling and cleaning equipment.
201.335 Purification equipment.
201.336 Residual refining equipment.
201.337 Other production equipment.

STORAGE PLANT

201.341 Land and land rights.
201.342 Structures and improvements.

TRANSMISSION PLANT

201.351 Land and land rights.
201.352 Structures and improvements.
201.353 Mains.
201.354 Pumping and regulating equipment.

DISTRIBUTION PLANT

201.357 Land and land rights.
201.358 Structures and improvements.
201.359 Mains.
201.360 Pumping and regulating equipment.
201.361 Services.
201.362 Meters.
201.363 Meter installations.
201.364 House regulators.
201.365 House regulator installations.
201.366 Other property on customers' premises.
201.367 Street lighting equipment.
201.368 Other distribution system equipment.

GENERAL PLANT

201.370 Land and land rights.
201.371 Structures and improvements.
201.372 Office furniture and equipment.
201.373 Transportation equipment.
201.374 Stores equipment.
201.375 Shop equipment.
201.376 Laboratory equipment.
201.377 Tools and work equipment.
201.378 Communication equipment.
201.379 Miscellaneous equipment.
201.390 Other tangible property.
201.391 Gas plant purchased.
201.392 Gas plant sold.

INSTRUCTIONS, EARNED SURPLUS ACCOUNT

201.4–1 Purpose of earned surplus account.

EARNED SURPLUS ACCOUNT

CREDITS

Sec.
201.400 Credit balance transferred from income account.
201.401 Miscellaneous credits to surplus.

DEBITS

201.410 Debit balance transferred from income account.
201.411 Dividend appropriations — preferred stock.
201.412 Dividend appropriations — common stock.
201.413 Miscellaneous reservations of surplus.
201.414 Miscellaneous debits to surplus.

INSTRUCTIONS, INCOME ACCOUNTS

201.5–1 Purpose of income accounts.
201.5–2 Records for other income.
201.5–3 Income from sinking and other funds.
201.5–4 Rents includible in income accounts.

INCOME ACCOUNTS

UTILITY INCOME

201.501 Operating revenues.
201.502 Operating expenses.
201.503:1 Depreciation.
201.503:2 Amortization and depletion of producing natural gas land and land rights.
201.504 Amortization of other limited-term gas investments.
201.505 Amortization of gas plant acquisition adjustments.
201.506 Property losses chargeable to operations.
201.507 Taxes.
201.508 Income from gas plant leased to others.
201.509 Other utility operating income.

EXPLORATION AND DEVELOPMENT COSTS

201.510 Delay rentals.
201.511 Nonproductive well drilling.
201.512 Abandoned leases.
201.513 Other exploration costs.

OTHER INCOME

201.520 Income from merchandising, jobbing, and contract work.
201.521 Income from nonutility operations.
201.522 Revenues from lease of other physical property.
201.523 Dividend revenues.
201.524 Interest revenues.
201.524:1 Interest on securities owned.
201.524:2 Other interest revenues.
201.525 Revenues from sinking and other funds.
201.526 Miscellaneous nonoperating revenues.
201.527 Nonoperating revenue deductions.

INCOME DEDUCTIONS

201.530 Interest on long-term debt.
201.531 Amortization of debt discount and expense.
201.532 Amortization of premium on debt —credit.
201.533 Taxes assumed on interest.
201.534 Interest on debt to associated companies.
201.534:1 Interest on advances from associated companies.
201.534:2 Interest on other debt to associated companies.
201.535 Other interest charges.
201.536 Interest charged to construction—credit.
201.537 Miscellaneous amortization.
201.538 Miscellaneous income deductions.

DISPOSITION OF NET INCOME

201.540 Miscellaneous reservations of net income.

INSTRUCTIONS, OPERATING REVENUE ACCOUNTS

Sec.
201.6–1 Purpose of operating revenue accounts.
201.6–2 Basis of credits to operating revenue accounts.
201.6–3 Commissions on gas sales.
201.6–4 Gas supplied without direct charge.
201.6–5 Gas used by utility.
201.6–6 Supporting records.
201.6–7 Segregation of sales to associated companies.

OPERATING REVENUE ACCOUNTS

GAS SERVICE REVENUES

201.600 Residential sales.
201.602 Commercial and industrial sales.
201.603 Public street and highway lighting.
201.604 Other sales to public authorities.
201.605 Sales to other gas utilities.
201.607 Interdepartmental sales.
201.608 Other sales.

OTHER GAS REVENUES

201.610 Rent from gas property.
201.611 Interdepartmental rents.
201.612 Customers' forfeited discounts and penalties.
201.614 Servicing of customers' installations.
201.615 Revenue from transportation of gas of others.
201.616 Revenue from incidental gasoline sales.
201.617 Revenue from processing natural gas.
201.618 Revenue from incidental oil sales.
201.619 Miscellaneous gas revenues.

INSTRUCTIONS, OPERATING EXPENSE ACCOUNTS

201.7–1 Purpose of operating expense accounts.
201.7–2 Maintenance, cost of.
201.7–3 Salvage and insurance.
201.7–4 Supervision and engineering.
201.7–5 Operating rents.
201.7–6 Joint facility rents and expenses.

OPERATING EXPENSE ACCOUNTS

PRODUCTION EXPENSES

Manufactured Gas Production

201.701 B A Operation supervision and engineering.
201.702 B A Boiler and other power labor.
201.703 B Coal gas and producer gas labor.
201.703:1 A Retort labor.
201.703:2 A Coke oven labor.
201.703:3 A Producer gas labor.
201.704 B Gas generating labor.
201.704:1 A Water gas generating labor.
201.704:2 A Petroleum gas generating labor.
201.704:3 A Other gas generating labor.
201.704:4 A Gas reforming labor.
201.705 B A Purification labor.
201.707 B A Miscellaneous production labor.
201.708 B A Boiler fuel.
201.709 B A Water.
201.710 B A Fuel under retorts.
201.711 B A Fuel under coke ovens.
201.712 B A Producer gas fuel.
201.713 B A Coal carbonized in retorts.
201.714 B A Coal carbonized in coke ovens.
201.715 B A Water gas generator fuel.
201.716 B A Oil for water gas.
201.717 B A Gas enricher.
201.718 B A Liquefied petroleum gas.
201.719 B A Oil for oil gas.
201.720 B A Raw materials for other gas processes.
201.721 B A Purification supplies.
201.722 B A Miscellaneous works expenses.

Maintenance

Sec.
201.723 B A Maintenance supervision and engineering.
201.724 B A Maintenance of structures and improvements.
201.725 B Maintenance of power equipment.
201.725:1 A Maintenance of boiler plant equipment.
201.725:2 A Maintenance of other power equipment.
201.726 B Maintenance of producing and generating equipment.
201.726:1 A Maintenance of benches and retorts.
201.726:2 A Maintenance of coke ovens.
201.726:3 A Maintenance of producer gas equipment.
201.726:4 A Maintenance of water gas generating equipment.
201.726:5 A Maintenance of petroleum gas equipment.
201.726:6 A Maintenance of other gas generating equipment.
201.726:7 A Maintenance of coal, coke, and ash handling equipment.
201.727 B Maintenance of other manufactured gas property.
201.727:1 A Maintenance of gas reforming equipment.
201.727:2 A Maintenance of purification equipment.
201.727:3 A Maintenance of other production equipment.
201.728 B A Power from other sources.
201.729 B A Rents.
201.730:1 B A Residuals produced—credit.
201.730:2 B A Residuals operation expenses.
201.730:3 B A Residuals maintenance expenses.
201.731:1 B A Joint expenses; debit.
201.731:2 B A Joint expenses; credit.
201.732 B A Duplicate charges; Credit.

Natural Gas Production

201.733 B A Operation supervision and engineering.
201.734 B Operation labor.
201.734:1 A Gas well labor.
201.734:2 A Field line labor.
201.734:3 A Field measuring and regulating station labor.
201.734:4 A Other production labor.
201.735 B Operating supplies and expenses.
201.735:1 A Gas well supplies and expenses.
201.735:2 A Field line supplies and expenses.
201.735:3 A Field measuring and regulating station supplies and expenses.
201.735:4 A Other supplies and expenses.
201.736 B A Purification supplies and expenses.
201.737 B A Production maps and records.
201.738 B A Miscellaneous production expenses.
201.739 B A Maintenance supervision and engineering.
201.740 B Maintenance of structures and improvements.
201.740:1 A Maintenance of gas well structures.
201.740:2 A Maintenance of field measuring and regulating station structures.
201.740:3 A Maintenance of other production system structures.
201.741 B A Maintenance of producing gas well equipment.
201.742 B Maintenance of field lines and equipment.
201.742:1 A Maintenance of field lines.
201.742:2 A Maintenance of field measuring and regulating station equipment.
201.743 B A Maintenance of drilling and cleaning equipment.
201.744 B A Maintenance of other natural gas property.

Miscellaneous

201.745 B A Gas well royalties.
201.746 B A Natural gas rents.
201.747:1 B A Residuals produced; credit.
201.747:2 B A Residuals operation expenses.
201.747:3 B A Residuals maintenance expenses.
201.748:1 B A Joint expenses; debit.
201.748:2 B A Joint expenses; credit.
201.749 B A Duplicate charges; credits.

Other Production Expenses

Operation

201.750 B A Operation of storage facilities.
201.751 B A Gas mixing expenses.

Maintenance

201.752 B A Maintenance of storage facilities.
201.753 B Maintenance of other production property.
201.753:1 A Maintenance of gas mixing equipment.
201.753:2 A Maintenance of production laboratory equipment.

Miscellaneous

201.754 B A Gas purchased.
201.755 B A Purchased gas expenses.
201.756 B A Other expenses.
201.757:1 B A Joint expenses; debit.
201.757:2 B A Joint expenses; credit.

TRANSMISSION EXPENSES

Operation

201.758 B A Operation supervision and engineering.
201.759 B Transmission operations.
201.759:1 A Pumping and regulating expenses.
201.759:2 A Operation of transmission mains.
201.759:3 A Transmission maps and records.

Maintenance

201.760 B A Maintenance supervision and engineering.
201.761 B A Maintenance of structures and improvements.
201.762 B Maintenance of transmission lines.
201.762:1 A Maintenance of mains.
201.762:2 A Maintenance of pumping, regulating, and miscellaneous equipment.

Miscellaneous

201.763 B A Rents.
201.764:1 B A Joint expenses; debit.
201.764:2 B A Joint expenses; credit.

DISTRIBUTION EXPENSES

201.765 B A Operation supervision and engineering.
201.766 B Distribution office expenses.
201.766:1 A Distribution maps and records.
201.766:2 A Other distribution office expenses.
201.767 B A Operation of distribution lines.
201.768 B Operation of meters.
201.768:1 A Removing and resetting meters.
201.768:2 A Miscellaneous meter expenses.
201.769 B A Services on customers' premises.
201.770 B A Operation of street lighting equipment.

Maintenance

201.771 B A Maintenance supervision and engineering.
201.772 B A Maintenance of structures and improvements.
201.773 B Maintenance of distribution lines.
201.773:1 A Maintenance of mains.
201.773:2 A Maintenance of pumping and regulating equipment.
201.773:3 A Maintenance of services.
201.773:4 A Maintenance of meters.
201.773:5 A Maintenance of house regulators.
201.773:6 A Maintenance of other property on customers' premises.
201.774 B A Maintenance of street lighting equipment.
201.775 B A Maintenance of other distribution equipment.

Miscellaneous

201.776 B A Rents.
201.777:1 B A Joint expenses; debit.
201.777:2 B A Joint expenses; credit.

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

201.779 B A Supervision.
201.780 B Customers' contracts, orders, meter reading, and collecting.
201.780:1 A Customers' contracts and orders.
201.780:2 A Credit investigations and records.
201.780:3 A Meter reading.
201.780:4 A Collecting.
201.781 B A Customers' billing and accounting.
201.782 B A Miscellaneous expenses.
201.783 B A Uncollectible accounts.
201.784 B A Rents.

SALES PROMOTION EXPENSES

201.785 B A Supervision.
201.786 B A Salaries and commissions.
201.787 B Demonstration, advertising, and other sales expenses.
201.787:1 A Demonstration.
201.787:2 A Advertising.
201.787:3 A Miscellaneous sales expenses.
201.788 B A Rents.
201.789 B A Merchandising, jobbing, and contract work.

ADMINISTRATIVE AND GENERAL EXPENSES

201.790 B A Salaries of general officers and executives.
201.791 B A Other general office salaries.
201.792 B Expenses of general officers and general office employees.
201.792:1 A Expenses of general officers.
201.792:2 A Expenses of general office employees.
201.793 B A General office supplies and expenses.
201.794 B A Management and supervision fees and expenses.
201.795 B A Special services.
201.796 B A Special legal services.
201.797 B A Regulatory commission expenses.
201.798 B A Insurance.
201.799 B A Injuries and damages.
201.800 B Employees' welfare expenses and pensions.
201.800:1 A Employees' welfare expenses.
201.800:2 A Pensions.
201.801 B A Miscellaneous general expenses.
201.802 B Maintenance of general property.
201.802:1 A Maintenance of structures and improvements.

201.802:2 A	Maintenance of office furniture and equipment.
201.802:3 A	Maintenance of communication equipment.
201.802:4 A	Maintenance of miscellaneous property.
201.803 B A	Rents.
201.804 B A	Commissions paid under agency sales contracts.
201.805 B A	Franchise requirements.
201.806 B A	Duplicate miscellaneous charges; credit.
201.807 B A	Administrative and general expenses transferred; credit.
201.808 B A	Joint expenses; debit.
201.809 B A	Joint expenses; credit.

CLEARING ACCOUNTS

201.901	Charges by associated companies; clearing.
201.902	Stores expenses; clearing.
201.903	Transportation expenses; clearing.
201.904	Laboratory expenses; clearing.
201.905	Shop expenses; clearing.
201.906	Tools and work equipment expenses; clearing.

AUTHORITY: §§ 201.00–1 to 201.906, inclusive, issued under secs. 8 (a), 10 (a), 16, 52 Stat. 821, 825, 826, 830; 15 U. S. C., 717g (a), 717i (a), 717o.

GENERAL PROVISIONS

§ 201.00–1 *Prescribing a system of accounts for natural gas companies under the Natural Gas Act.* The Federal Power Commission acting pursuant to authority granted by the Natural Gas Act (52 Stat. 821, as amended; 15 U.S.C. and Sup., 717 et seq.), particularly sections 8 (a), 10 (a), and 16 thereof, and finding such action necessary and appropriate for carrying out the provisions of said act, ordered that:

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

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

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

§ 201.00–2 *Authority under which accounting rules and regulations are prescribed.* This part is issued and prescribed under the following provisions of the Natural Gas Act:

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

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

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

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

(1) "Person" includes an individual or a corporation.

(2) "Corporation" includes any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, receiver or receivers, trustee or trustees of any of the foregoing, but shall not include municipalities as hereinafter defined.

(3) "Municipality" means a city, county, or other political subdivision or agency of a State.

(5) "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.

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

(7) "Interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, but only insofar as such commerce takes place within the United States.

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

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

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

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

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

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

DEFINITIONS

NOTE: In §§ 201.01–1 to 201.01–39, inclusive, the numbers to the right of the dash correspond with the respective definition numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, pp. 3–5. Cross references to accounts are made by citing the account number, e. g., account 100:6, instead of the corresponding section number (§ 201.100:6).

§ 201.01–1 *Accounts.* "Accounts" means the accounts prescribed in this system of accounts.

§ 201.01–2 *Actually issued.* "Actually issued", as applied to securities issued or assumed by the utility, means those which have been sold to bona-fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property); also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.

§ 201.01–3 *Actually outstanding.* "Actually outstanding", as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility: *Provided, however,* That securities held by trustees shall be considered as actually outstanding.

§ 201.01–4 *Amortization.* "Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

§ 201.01–5A *Associated companies.* "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.

§ 201.01–5B *Control.* "Control" (including the terms "controlling", "controlled by", and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

§ 201.01–6 *Book cost.* "Book cost" means the amount at which property is recorded in these accounts without deduction of related reserves or other accounts. As applied to gas plant, "book cost" means the amount at which property is included in account 100:6 or in accounts 100:1 to 100:4.

§ 201.01–7 *Buildings.* "Buildings." (See Gas plant instruction 10, § 201.3–10.)

§ 201.01–8 *Commission.* "Commission" means the Federal Power Commission.

§ 201.01–9 *Construction cost, components of.* "Construction cost, components of." (See Gas plant instruction 5, § 201.3–5.)

§ 201.01–10 *Cost.* "Cost" means the amount of money actually paid for property or services or the cash value at the time of the transaction of any consideration other than money. (See, however, Gas plant instruction 3, § 201.3–3.)

§ 201.01–11 *Cost of removal.* "Cost of removal" means the cost of demolishing, dismantling, tearing down, or otherwise removing gas plant, including the cost of transportation and handling incidental thereto.

§ 201.01–12 *Debt expense.* "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

§ 201.01–13 *Depletion.* "Depletion", as applied to natural gas producing land and land rights, means the loss in service value incurred in connection with the exhaustion of the natural resource in the course of service.

§ 201.01–14 *Depreciation.* "Depreciation", as applied to depreciable gas plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities, and, in the case of natural gas companies, the exhaustion of natural resources.

§ 201.01–15 *Discount.* "Discount", as applied to the securities issued or assumed by the utility, means the excess of the par (stated value of no par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

§ 201.01–16 *Distribution system.* "Distribution system." (See Gas plant instruction 16, § 201.3–16.)

§ 201.01–17 *Equipment.* "Equipment." (See Gas plant instruction 11, § 201.3–11.)

§ 201.01–18 *Improvements.* "Improvements." (See Gas plant instruction 10, § 201.3–10.)

§ 201.01–19 *Investment advances.* "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of capital stock or long-term obligations, or shall not be subject to current settlement.

§ 201.01–20 *Land and land rights.* "Land and land rights." (See Gas plant instruction 9, § 201.3–9.)

§ 201.01–21 *Minor items of property.* "Minor items of property" means the associated parts or items of which units of property are composed.

§ 201.01–22 *Natural gas.* "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.

§ 201.01–23 *Natural gas company.* "Natural gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.

§ 201.01–24 *Net book cost.* "Net book cost", when applied to gas plant means the book cost less related depreciation, amortization, and depletion reserves. When applied to other property, it means book cost less related reserves for loss in value.

§ 201.01–25 *Net original cost.* "Net original cost", as applied to gas plant, means the original cost less related depreciation, amortization, and depletion reserves.

§ 201.01–26 *Net salvage value.* "Net salvage value" means the salvage value of property retired less the cost of removal.

§ 201.01–27 *Nominally issued.* "Nominally issued", as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold or issued direct to trustees of sinking funds in accordance with contractual requirements.

§ 201.01–28 *Nominally outstanding.* "Nominally outstanding", as applied to securities issued or assumed by the utility, means those which, after being actually issued have been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired: *Provided, however,* That securities held by trustees shall be considered as actually outstanding.

§ 201.01–29 *Original cost.* "Original cost", as applied to gas plant, means the cost of such property to the person first devoting it to public service.

§ 201.01–30 *Person.* "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

§ 201.01–31 *Premium.* "Premium", as applied to the securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no par stocks) or face value and interest or dividends accrued at the date of sale.

§ 201.01–32 *Property retired.* "Property retired", as applied to gas plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from gas service.

§ 201.01–33 *Replacing or replacement.* "Replacing" or "replacement", when not otherwise indicated in the context, means the construction or installation of gas plant in place of property retired, together with the removal of the property retired.

§ 201.01–34 *Salvage value.* "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to Account 131, Materials and Supplies, or other appropriate account.

§ 201.01–35 *Service value.* "Service value" means the difference between original cost and the net salvage value of gas plant.

§ 201.01–36 *Structures.* "Structures." (See Gas plant instruction 10, § 201.3–10.)

§ 201.01–37 *Transmission system.* "Transmission system." (See Gas plant instruction 16, § 201.3–16.)

§ 201.01–38 *Retirement units.* "Retirement units" means those items of gas plant which, when retired, with or without replacements, are accounted for by crediting the book cost thereof to the gas plant account in which included.

§ 201.01–39 *Utility.* "Utility", as used in this part and when not otherwise indicated in the context, means any natural-gas company to which this part is applicable.

INSTRUCTIONS, GENERAL

NOTE: In §§ 201.02–1 to 201.02–12, inclusive, the numbers to the right of the dash correspond with respective numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, pp. 6–9. Cross references to accounts are made by citing the account number, e. g., Account 538, instead of the corresponding section number (§ 201.538).

§ 201.02–1 *Classification of natural gas companies.* (a) For the purpose of applying the system of accounts prescribed in this part, natural gas companies are divided into four classes, as follows:

Class A. Natural gas companies having either (1) annual gas operating revenues of $750,000 or more, or (2) the original cost of whose gas plant amounts to $4,000,000 or more. Such natural gas companies shall keep all the accounts prescribed herein which are applicable to their operations.

Class B. Natural gas companies having annual gas operating revenues of more than $250,000 but less than $750,000 and the original cost of whose gas plant amounts to less than $4,000,000. Such natural gas companies shall keep all the accounts prescribed herein which are applicable to their operations, except those operating expense accounts in which the letter B does not appear in the prefix.

Class C. Natural gas companies having annual gas operating revenues of more than $100,000 but not more than $250,000. Such natural gas companies shall keep the accounts applicable to their operations which are prescribed in Appendix II.

Class D. Natural gas companies having annual gas operating revenues of more than $25,000 but not more than $100,000. Such natural gas companies shall keep the accounts applicable to their operations which are prescribed in Appendix II.

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

(c) Any natural gas company may at its option adopt the system of accounts prescribed in this part for any larger class of natural gas companies.

§ 201.02–2 *Records.* (a) Each natural gas company shall so keep its books of account, and all other books, records, and memoranda which support in any way the entries in such books of account, as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis, and verification of all of the facts relevant thereto.

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

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

(d) Subdivisions of any account in the system of accounts prescribed in this part may be kept, *Provided,* That such subdivisions do not impair the integrity of the prescribed accounts. The titles of all such subdivisions or subaccounts shall refer by number or title to the account or accounts of which they are subdivisions.

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

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

(g) The numbers prefixed to account titles are to be considered as part of the titles. Each natural gas company may, however, adopt a different system of account numbers: *Provided,* That the numbers prescribed in this part shall appear in the descriptive headings of the ledger accounts.

§ 201.02–3 *Accounting period.* Each natural gas company shall keep its books on a monthly basis so that for each month all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the natural gas company. Unless otherwise authorized by the Commission, each natural gas company shall close its books at the end of each calendar year.

§ 201.02–4 *Submission of questions.* To maintain uniformity of accounting, natural gas companies shall submit questions of doubtful interpretation to the Commission for consideration and decision.

§ 201.02–5 *Items list, interpretation of.* Lists of "items" appearing in the texts of the accounts or elsewhere in this part are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

§ 201.02–6 *Delayed items.* (a) The term "delayed items" means items relating to transactions which occurred prior to the current calendar year but which were not recorded in the books of account in the prior year.

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

§ 201.02–7 *Unaudited items.* When, at the end of any year or at such other time as a financial statement may be required by the Commission, it is known that a transaction has occurred which affects the accounts, but the amount involved in the transaction and its effect upon the accounts cannot be determined with absolute accuracy, then the amount shall be estimated and such estimated amount included in the proper accounts. The natural gas company is not required

to anticipate minor items which would not appreciably affect the accounts.

§ 201.02–8 *Transactions with associated companies.* Each natural gas company shall so keep its accounts and records as to be able to furnish accurately and expeditiously a statement of all transactions with associated companies. The statement may be required to show the general nature of the transactions, the amounts involved therein, and the amounts included in each account prescribed herein with respect to such transactions. Transactions with associated companies shall be recorded in the appropriate accounts for transactions of the same nature; provided, however, that charges by associated companies shall first be entered, if necessary, in Account 901, Charges by Associated Companies—Clearing. Nothing contained in this part, however, shall be construed as restraining the utility from subdividing accounts for the purpose of recording separately transactions with associated companies.

§ 201.02–9 *Depreciation, amorization and depletion accounting.* Each natural-gas company shall record as of the end of each month the estimated amount of depreciation or amortization and depletion accrued during that month on gas plant subject to charges for depreciation or amortization and depletion. (See Account 503.1, Depreciation; Account 250.1, Reserve for Depreciation of Gas Plant; Account 503.2, Amortization and Depletion of Producing Natural Gas Land and Land Rights; and Account 250.2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

NOTE A: Depreciation or amortization and depletion expenses applicable to property included in Account 100:2 Gas Plant Leased to Others, shall be charged to Account 508, Income from Gas Plant Leased to Others.

NOTE B: Depreciation applicable to transportation equipment shall be charged to Account 903, Transportation Expenses—Clearing, and depreciation on general tools and work equipment used in construction work shall be charged to the work or job benefited. The natural gas company may, at its option, distribute depreciation on the latter items through a clearing account and it may also, at its option, charge to clearing accounts, insofar as applicable, depreciation on structures and equipment. (See, however, Gas plant instruction 5, item 5, § 201.3–5 (e).)

§ 201.02–10 *Distribution of pay and expenses of employees.* The charges to gas plant, operating expense, and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

§ 201.02–11 *Records for each plant.* Separate records shall be maintained by gas plant accounts of the book cost of each plant owned or operated and the cost of operating and maintaining each plant. The term "plant", as used in this part means each gas production plant, each gathering system, each transmission main, and each compressor station other than distribution compressor station: *Provided, however,* That the cost of operating and maintaining gas wells may be grouped to include all wells within one pool of gas. If a natural gas company operates more than one gathering system, or many transmission mains, or relatively small compressor stations, it may, with the approval of the Commission, group certain gathering systems, or certain transmission mains, or certain compressor stations for the purpose of complying with the portion of this instruction requiring a segregation of the cost of operating and maintaining each plant.

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

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

§ 201.02–12 *Accounting for other departments.* This part is designed for use by natural-gas companies. If the natural gas company, in addition to its gas operations, operates other departments, it shall keep such accounts for the other departments as may be prescribed by proper authority, and in the absence of prescribed accounts, it shall keep such accounts as are proper or necessary to reflect the results of operating each such other department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized.

INSTRUCTIONS, BALANCE SHEET ACCOUNTS

NOTE: In §§ 201.1–1 to 201.1–9, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, pp. 10-13. Cross references to accounts are made by citing the account number, e. g., Account 538, instead of corresponding section number (§ 201.538).

§ 201.1–1 *Purpose of balance sheet accounts.* The balance sheet accounts are intended to disclose the financial condition of the natural gas company as of a given date by showing its assets and other debits, and liabilities, capital stock, surplus (or deficit), and other credits.

§ 201.1–2 *Current and accrued assets.* (a) Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are provided.

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

§ 201.1–3 *Current and accrued liabilities.* (a) Current and accrued liabilities are those obligations which have either matured at the date of the balance sheet or which become due within 1 year from the date thereof; except, however, bonds, receivers' certificates, and similar obligations which shall be classified as long-term debt until date of maturity; accrued taxes, such as income taxes, which shall be classified in the balance sheet as accrued liabilities even though payable more than 1 year from the balance sheet date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities.

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

§ 201.1–4 *Book cost of securities owned.* (a) Securities of others acquired by the utility shall be recorded in these accounts at cost at the time of acquisition. Cost does not include any amount paid for accrued interest, or dividends.

(b) The utility may write down the book cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded, but a permanent impairment in the value of the securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to Account 538, Miscellaneous Income Deductions, or to Account 414, Miscellaneous Debits to Surplus, or to an appropriate reserve account.

(c) When securities with a fixed maturity date are purchased at a discount (that is, when the total cost, including brokerage fees, taxes, commissions, etc., is less than par), such discount may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which the interest revenue is credited. No debits shall be made in respect to discount upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than

par or will not be paid at date of maturity.

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

§ 201.1–5 *Discount, expense, and premium on capital stock.* (a) This part provides separate accounts for discount, expense, and premium on capital stock. These accounts shall be subdivided for each class and series of capital stock issued by the utility. Expenses applicable to capital stock shall not be added to capital stock discount nor deducted from premium on capital stock.

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

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

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

(e) When capital stock which has been actually issued by the utility is reacquired or retired, Account 150, Discount on Capital Stock, and Account 151, Capital Stock Expense, shall be credited with any amounts included therein which are applicable to such stock, and Account 203, Premiums and Assessments on Capital Stock, shall be debited with the amount of any unamortized premium similarly included therein. Balance Sheet Account 152, Reacquired Capital Stock, or the appropriate capital stock account, if the stock is being retired, shall be debited with the par or stated value of the reacquired or retired stock (for no par stock without stated value the debit shall be the amount at which included in the capital stock account). Any difference remaining between the amounts of the foregoing debits and credits and the amount paid for the stock plus expenses incurred in its reacquisition shall be debited or credited, as the case may be, to Account 270, Capital Surplus, unless, in the case of a debit, the amount thereof exceeds the net accumulated credit in Capital Surplus Account 270 arising from previous reacquisition or retirement of capital stock, in which event, the debit in excess of such accumulated credit shall be made to Account 414, Miscellaneous Debits to Surplus.

§ 201.1–6 *Discount, expense, and premium on long-term debt.* (a) A discount, expense, and premium account shall be maintained for each class and series of long-term debt (including receivers' certificates) issued or assumed by the utility, in which shall be recorded the discount, expense, and premium associated with the issuance and sale of each such class and series of debt.

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

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

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

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

(f) Discount, expense, or premium on debt shall not be included as part of the cost of constructing or acquiring any property, tangible or intangible, except under the provisions of Gas plant instruction 5. (§ 201.3–5.)

§ 201.1–7 *Contingent assets and liabilities.* Contingent assets represent a possible source of value to the utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the utility but which are neither direct nor assumed liabilities at the date of the balance sheet. The utility shall be prepared to give a complete statement of contingent assets and liabilities (including cumulative dividends on preference stock) in its annual report and at such other times as may be requested by the Commission.

§ 201.1–8 *Company securities owned.* Securities actually issued or assumed by the company which have been reacquired shall be either retired or carried in Account 152, Reacquired Capital Stock, or Account 153, Reacquired Long-term Debt, unless it is required by provision of a mortgage, or by decision of a trustee not subject to control by the accounting company, that they be retained alive in sinking or other funds. When so retained, they shall be considered as actually outstanding, but not otherwise.

§ 201.1–9 *Nominally issued securities.* (a) Each utility shall maintain, in addition to the capital stock and bond accounts shown in the balance sheet, memorandum debit and credit accounts for securities which have been nominally, but not actually, issued.

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

(c) Subdivisions shall be maintained under the memorandum accounts for each class of security.

Balance Sheet Accounts

Assets and Other Debits

Utility Plant

Note: In §§ 201.100 to 201.271, inclusive, the numbers to the right of the decimal point (except that a colon has been substituted in each instance where a decimal point was used in the original account number) correspond with the respective account numbers in the Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, pp. 16–35. Cross references to accounts are made by citing the account number, e. g., Account 100:1, instead of the corresponding section number (§ 201.100:1).

§ 201.100 *Gas plant.* There shall be reported by this caption the balances in accounts 100:1, 100:2, 100:3, 100:4, 100:5, and 100:6.

§ 201.100:1 *Gas plant in service.* (a) This account shall include the original cost of gas plant, included in accounts 301 to 390, together with the amounts recorded in accounts 391 and 392, owned and used by the utility in its gas operations, including such property owned by the utility but held by nominees.

(b) The cost of additions to and betterments of property leased from others shall be recorded in this account, but such cost shall be maintained in subdivisions entirely separate and distinct from those relating to owned property. (See Gas plan instruction 7, § 201.3–7.)

§ 201.100:2 *Gas plant leased to others.* (a) This account shall include the original cost of gas plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

(b) The property included in this account shall be classified according to the

detailed accounts (301 to 392) for gas plant in service (account 100:1), and this account shall be maintained in such detail as though the property were used by the utility in its gas operations.

§ 201.100:3 *Construction work in progress.* This account shall include the total of the balances of work orders for gas plant in process of construction but not ready for service at the date of the balance sheet.

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

§ 201.100:4 *Gas plant held for future use.* (a) This account shall include the original cost of property owned and held for use in gas service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in gas service, but held for such service in the future under a definite plan, and property previously used by the utility in gas service, but retired from such service and held pending its reuse in the future, under a definite plan, in gas service. This includes land and land rights held to insure a future supply of natural gas. (See Gas plant instruction 9–I, § 201.3–9 (i).)

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

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

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

§ 201.100:5 *Gas plant acquisition adjustments.* (a) This account shall include the difference between (1) the cost to the accounting utility of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (2) the original cost, estimated if not known, of such property, less the amount or amounts which may be credited to the depreciation, and amortization and depletion reserves of the accounting utility at the time of acquisition with respect to such property. The account shall be so subdivided, when practicable, as to show the amounts applicable to gas plant in service, gas plant leased to others, and gas plant held for future use. (See Gas plant instructions 2, 3, and 4, §§ 201.3–2, 201.3–3 and 201.3–4.)

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

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

§ 201.100:6 *Gas plant in process of reclassification.* (a) There shall be closed to this account the book cost of gas plant (formerly called "fixed capital" in many systems of accounts) as of the effective date hereof. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the gas plant accounts herein prescribed (301–392), but shall not be used for additions, betterments, or new construction.

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

§ 201.107 *Gas plant adjustments.* (a) This account shall include the difference between the original cost, estimated if not known, and the book cost of gas plant, at the effective date of this system of accounts, to the extent that such difference is not properly includible in Account 100:5, Gas Plant Acquisition Adjustments. Write-ups of gas plant prior to the effective date of this system of accounts shall be recorded herein.

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

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

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

Investment and Fund Accounts

§ 201.110 *Other physical property.* (a) This account shall include the cost to the utility of land, structures, and equipment owned by the utility, but not used in gas service and not properly includible in Account 100:4, Gas Plant Held for Future Use, or in Account 108, Other Utility Plant.

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

§ 201.111 *Investments in associated companies.* There shall be reported by this caption the amounts included in accounts 111:1 and 111:3.

§ 201.111:1 *Investments in securities of associated companies.* (a) This account shall include the book cost of the utility's investment in securities issued or assumed by associated companies and held as permanent or long-term investments.

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

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

§ 201.111:2 *Advances to associated companies.* (a) This account shall include the amount of investment advances to associated companies and interest accrued on such advances when such interest is not subject to current settlement. (See Account 126, Receivables from Associated Companies.)

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

NOTE A: Balances in open accounts with associated companies which are subject to current settlement shall be excluded from this account and included in Account 126:2, Accounts Receivable from Associated Companies.

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

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

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

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

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

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

§ 201.114 *Miscellaneous special funds.* There shall be reported by this caption the amounts included in accounts 114:1 and 114:2.

§ 201.114:1 *Depreciation fund.* This account shall include the assets which have been segregated in a special fund for the purpose of identifying such assets with the reserve for depreciation.

§ 201.114:2 *Other special funds.* This account shall include assets which have been segregated in special funds for insurance, employees' pensions, savings, relief, hospital, and other purposes not pro-

vided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

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

Current and Accrued Assets

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

§ 201.121 *Special deposits.* There shall be reported by this caption the amounts included in accounts 121:1, 121:2, and 121:3.

§ 201.121:1 *Interest special deposits.* Special deposits with fiscal agents or others for the payment of interest shall be charged to this account. When interest is paid from the deposits the amount shall be credited to this account and charged to the appropriate accrued interest account.

§ 201.121:2 *Dividend special deposits.* Special deposits with fiscal agents and others for the payment of dividends on behalf of the utility shall be charged to this account. When dividends are paid from these deposits, the amount thereof shall be credited to this account and charged to the appropriate dividends payable account.

§ 201.121:3 *Miscellaneous special deposits.* Special deposits with fiscal agents or others for special purposes other than the payment of interest and dividends shall be charged to this account. Such special deposits may include cash deposited with Federal, State, or municipal authorities as a guaranty for the fulfillment of obligations; cash deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of, is replaced; and also cash realized from the sale of the accounting utility's securities and deposited with trustees to be held until invested in property of the utility, etc. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amount released. Entries to this account shall specify the purpose for which the deposit is made.

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

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

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

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

(b) This account shall be so maintained as to show:

Temporary Cash Investments—Associated Companies.

Temporary Cash Investments—Other.

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

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

NOTE A: This account shall not include notes receivable from associated companies. (See Account 126:1, Notes Receivable from Associated Companies.)

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

§ 201.125 *Accounts receivable.* There shall be reported by this caption the balances in accounts 125:1 and 125:2.

§ 201.125:1 *Accounts receivable—customers.* (a) This account shall include amounts due from customers for utility services, including merchandising, jobbing, and contract work. This account shall not include amounts due from associated companies.

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

§ 201.125:2 *Other accounts receivable.* (a) This account shall include amounts owing the utility upon the accounts with concerns or individuals, other than associated companies, and customers for utility services and for merchandising, jobbing, and contract work.

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

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

(b) This account shall be subdivided as follows:

126:1 Notes Receivable from Associated Companies.

126:2 Accounts Receivable from Associated Companies.

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

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

§ 201.127 *Subscriptions to capital stock.* (a) This account shall include the balance due from subscribers upon legally enforceable subscriptions to capital stock of the utility.

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

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

NOTE A: Interest and dividends receivable from associated companies shall be included in Account 126:2, Accounts Receivable from Associated Companies.

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

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

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

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

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

§ 201.131 *Materials and supplies.* There shall be reported under this caption the total of the amounts in accounts 131:1 and 131:2.

§ 201.131:1 *Materials and supplies—gas.* (a) This account shall include the cost of unissued small tools and unapplied materials and supplies (including fuel) held primarily for use in the gas business. The cost shall include, when practicable, the purchase price at the point of free delivery, plus customs duties, excise and other taxes on purchases, insurance, costs of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges.

(b) Inward transportation charges for materials as far as practicable shall be included as a part of the cost of the par-

ticular material to which they relate. When not so included, they shall be charged to Account 902, Stores Expenses—Clearing.

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

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

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known, except that stores loading and similar costs shall not be duplicated. The cost of repairing such items shall be charged to the account appropriate for the previous use. (See also Gas plant instruction 5, item 5, 201.3–5 (5).)

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

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

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

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

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

§ 201.131:2 *Materials and supplies—other.* This account shall include the cost of all materials and supplies held primarily for merchandising, jobbing, and contract work or for use in departments other than the gas department.

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

§ 201.133 *Other current and accrued assets.* (a) This account shall include current and accrued assets of the general nature defined in accounts 120 to 132, inclusive, but not properly includible in any of those accounts.

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

Deferred Debits

§ 201.140 *Unamortized debt discount and expense.* This caption shall include the total of the debit balances, of those accounts having debit balances, of the discount, expense, and premium accounts, for all classes of long-term debt. (See Balance sheet instruction 6, § 201.1–6.)

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

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

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

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

§ 201.142:1 *Preliminary natural gas survey and investigation charges.* (a) This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of acquiring land and land rights to provide a future supply of natural gas. If such land or land rights are acquired, this account shall be credited and the appropriate gas plant account (see Gas plant instruction 9–I, § 201.3–9 (i)) charged with the amount of the expenditures related to such acquisition. If the project is abandoned, the expenditures related thereto shall be charged to Account 513, Other Exploration Costs.

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

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

§ 201.142:2 *Other preliminary survey and investigation charges.* (a) This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation other than the acquisition of land and land rights to provide a future supply of natural gas. If construction results, this account shall be credited and the appropriate gas plant account charged. If the work is abandoned, the charge shall be to Account 538, Miscellaneous Income Deductions, or Account 414, Miscellaneous Debits to Surplus, unless otherwise authorized or directed by the Commission.

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

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

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

§ 201.144 *Retirement work in progress.* This account shall include the total of the balances of work orders for the retirement of gas plant. The amount to be credited to gas plant shall be charged to this account at the date the property is retired from service, and the cost of removal shall be charged to the account as incurred. Credits for sal-

vage and insurance recovered shall be made to this account. Each work order shall be closed to Account 250:1, Reserve for Depreciation of Gas Plant, or other appropriate reserve, upon completion of the removal, in such a manner as to record separately in the reserve the original cost of plant retired, the cost of removal, and the salvage or insurance recovered.

§ 201.145 *Other work in progress.* This account shall include the total of the balances in open work or job orders for work in progress, other than that includible in Account 100:3, Construction Work in Progress, and Account 144, Retirement Work in Progress.

§ 201.146 *Other deferred debits.* (a) This account shall include all debits, not elsewhere provided for, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization.

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

Capital Stock Discount and Expense

§ 201.150 *Discount on capital stock.* (a) There shall be reported by this caption all balances in the accounts for discount on capital stock.

(b) The accounts hereunder shall be kept in such manner as to show separately the discount on each class and series of capital stock. (See Balance sheet instruction 5, § 201.1–5.)

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

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

(b) When any issue of capital stock, or portion thereof, has been retired, there shall be credited to this account the balance herein in respect of such retired stock. (See Balance sheet instruction 5, § 201.1–5.)

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

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

Reacquired Securities

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

(b) The difference between the amount at which capital stock is included in this account and the amount paid by the utility for such stock, including commissions and expenses paid in connection with the reacquisition, shall be debited or credited at the time of acquisition, to Account 270, Capital Surplus, *Provided, however,* That debits shall be charged to Account 414, Miscellaneous Debits to Surplus, if the amounts thereof exceed the balance in capital surplus; and *Provided further,* That in no event shall debits in excess of accumulated credits from the reacquirement and sale of reacquired capital stock be charged to capital surplus. (See Balance sheet instruction 5, § 201.1–5.)

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

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

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

(b) When the securities are reacquired, the difference between par or face value, adjusted for unamortized discount, expense, or premium, and the amount paid upon reacquisition, shall be debited or credited, as appropriate, to Account 414, Miscellaneous Debits to Surplus, or Account 401, Miscellaneous Credits to Surplus. (See Balance sheet instruction 6, § 201.1–6.)

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

LIABILITIES AND OTHER CREDITS

Capital Stock

§ 201.200 *Common capital stock.*

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

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

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

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

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

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

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

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

§ 201.203 *Premiums and assessments on capital stock.* (a) This account shall include the excess of the actual cash value of the consideration received over the par or stated value and accrued dividends, of stock issued, together with assessments against stockholders representing payments required in excess of par or stated values.

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

(c) When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be debited hereto. (See Balance sheet instruction 5, § 201.1–5.)

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

or Account 201, Preferred Capital Stock, shall be credited with the par or stated value of such stock.

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

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

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

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

Long-Term Debt

§ 201.210 *Bonds.* (a) This account shall include the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also the face value of such bonds issued by others, the payment of which has been assumed by the utility.

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

NOTE A: For instructions relative to accounting for discount, expense, and premium on long-term debt, see Balance sheet instruction 6 (§ 201.1–6).

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

§ 201.211 *Receivers' certificates.* (a) This account shall include the face value of certificates of indebtedness issued by receivers in possession of the property and acting under the orders of a court.

(b) Separate subdivisions shall be maintained for each issue of receivers' certificates.

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

(b) This account shall be subdivided as follows:

212:1 Advances on Notes.
212:2 Advances on Open Accounts.

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

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

§ 201.213 *Miscellaneous long - term debt.* (a) This account shall include all unmatured long-term debt not otherwise provided for. This covers such items as real estate mortgages, executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than 1 year from date of issue or assumption. (See Balance sheet instruction 3, § 201.1–3.)

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

Current and Accrued Liabilities

§ 201.220 *Notes payable.* This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or which by their terms are payable within a time not exceeding 1 year from the date of issue, to other than associated companies. (See Balance sheet instruction 3, § 201.1–3.)

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

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

§ 201.223 *Payables to associated companies.* This account shall include amounts owed to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open accounts payable on demand or not more than one year from date of issue or creation. This account shall be subdivided as follows:

223:1 Notes Payable to Associated Companies.
223:2 Accounts Payable to Associated Companies.

NOTE: Exclude from this account notes and accounts which are includible in Account 212, Advances from Associated Companies.

§ 201.224 *Dividends declared.* This account shall include the amount of dividends which have been declared but not paid. Dividends shall be credited to this account when they become a liability.

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

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

§ 201.227 *Customers' deposits.* This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

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

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

§ 201.229 *Interest accrued.* There shall be reported by this caption the balances included in accounts 229:1 and 229:2.

§ 201.229:1 *Interest accrued on long-term debt.* This account shall include the amount of interest accrued on the long-term debt of the utility except interest on advances from associated companies. This account shall not include any interest which is added to the principal of the debt on which incurred.

§ 201.229:2 *Interest accrued on other liabilities.* This account shall include the amount of interest accrued on liabilities of the utility other than long-term liabilities. This account shall not include any interest which is added to the principal of the debt on which incurred.

§ 201.230 *Other current and accrued liabilities.* This account shall include the current and accrued liabilities not provided for elsewhere.

Deferred Credits

§ 201.240 *Unamortized premium on debt.* This caption shall include the total of the credit balances of the discount, expense, and premium accounts, for all classes of long-term debt, including receivers' certificates. (See Balance sheet instruction § 201.1–6.)

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

§ 201.242 *Other deferred credits.* This account shall include advanced billings and receipts and other deferred credit items, not provided for elsewhere; also amounts which cannot be entirely cleared or disposed of until additional in-

formation has been received or which should be credited to income or to surplus accounts in the future.

Reserves

§ 201.250:1 *Reserve for depreciation of gas plant.* (a) This account shall be credited with the following:

Amounts charged to Account 503:1, Depreciation, to Account 508, Income from Gas Plant Leased to Others, to clearing accounts, or to income or other accounts for currently accruing depreciation.

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

Amounts of depreciation applicable to gas properties acquired as operating units or systems. (See Gas plant instruction 4, § 201.3–4.)

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

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

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

(c) For balance sheet purposes, this account shall be regarded and treated as a single composite reserve. For purposes of analysis, however, each utility shall maintain records in which the depreciation reserve shall be segregated according to the following functional classification of gas plant: (1) Production—manufactured gas, (2) production—natural gas, (3) storage, (4) transmission, (5) distribution, and (6) general. The credits and debits to the reserve shall be so made as to show separately (1) the amount of the accrual for depreciation. (2) the book cost of property retired, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance.

(d) When transfers of property are made from one utility plant account to another or from or to nonutility property, the accounting shall be as provided in Gas plant instruction 14 (§ 201.3–14).

(e) This account shall be subdivided as follows:

250:11 Reserve for Depreciation of Gas Plant in Service.
250:12 Reserve for Depreciation of Gas Plant Leased to Others.
250:13 Reserve for Depreciation of Gas Plant Held for Future Use.

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

§ 201.250:2 *Reserve for amortization and depletion of producing natural gas land and land rights.* (a) This account shall be credited with amounts charged to Account 503:2, Amortization and Depletion of Producing Natural Gas Land and Land Rights, or Account 508, Income from Gas Plant Leased to Others, to provide for the current amortization and depletion of land and land rights from which natural gas is obtained. (See Gas plant instruction 9–I, § 201.3–9 (i).)

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

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

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

(e) This account shall be subdivided as follows:

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

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

§ 201.250:3 *Reserve for abandoned leases.* This account shall be credited with amounts concurrently charged to Account 512, Abandoned Leases, for the purpose of providing a reserve to cover the costs of natural gas leases which may be abandoned and which have never been productive.

(b) When natural gas leases which have never been productive are abandoned, the cost thereof, including expenses incidental to abandonment, shall be charged to this account: *Provided, however,* That any deficiency in this reserve at the time of abandonment of the lease shall be charged to Account 512, Abandoned Leases.

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

NOTE A: No provision shall be made in this reserve for the abandonment of producing natural gas leases, and the provisions of Gas plant instruction 14 (§ 201.3–14) Transfers of Property, shall not apply to amounts included herein. (See Account 250:2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

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

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

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

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

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

(e) This account shall be subdivided as follows:

251:1 Reserve for Amortization of Other Limited-Term Gas Investments—Gas Plant in Service.
251:2 Reserve for Amortization of Other Limited-Term Gas Investments—Gas Plant Leased to Others.
251:3 Reserve for Amortization of Other Limited-Term Gas Investments—Gas Plant Held for Future Use.

§ 201.252 *Reserve for amortization of gas plant acquisition adjustments.* This account shall be credited or debited with amounts which the Commission may approve or direct to be charged or credited to Account 505, Amortization of Gas Plant Acquisition Adjustments, to Account 537, Miscellaneous Amortization, or to surplus for the purpose of providing for the extinguishment of amounts in Account 100:5, Gas Plant Acquisition Adjustments.

§ 201.253 *Reserve for depreciation and amortization of other property.* This account shall include the depreciation and amortization reserves applicable to property other than gas plant.

§ 201.254 *Reserve for uncollectible accounts.* (a) This account shall be credited each month with amounts reserved for losses on accounts receivable which

may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to Account 783, Uncollectible Accounts, for amounts applicable to gas operations, and to corresponding accounts for other operations.

(b) This account shall be subdivided as follows:

254:1 Utility customers.
254:2 Merchandising, jobbing, and contract work.
254:3 Associated companies.
254:4 Officers and employees.
254:5 Other.

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

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

(b) Charges shall be made to this account for losses covered by self-insurance.

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

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

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

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

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

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

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

(c) Separate accounts shall be kept for each kind of reserve included herein.

§ 201.258 *Other reserves.* (a) This account shall include all reserves maintained by the utility which are not provided for elsewhere in this system of accounts.

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

Contributions in Aid of Construction

§ 201.265 *Contributions in aid of construction.* (a) This account shall include donations or contributions in cash services, or property from States, municipalities, or other governmental agencies, individuals, and others for construction purposes. (See Gas plant instruction 3–F, § 201.3–3 (f).)

(b) The credits to this account shall not be transferred to surplus account or to any other account without the approval of the Commission, except as provided in Gas plant instruction 12–F (201.3–12 (f)).

(c) The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the condition, if any, upon which it was made, and the amount of donations from (1) States, (2) municipalities, (3) customers, and (4) others.

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

Surplus

§ 201.270 *Capital surplus.* (a) This account shall include all surplus not classified herein as earned surplus. It shall include credits from sales by the utility of its reacquired capital stock, surplus arising from the retirement and cancelation of the utility's capital stock, from donations by stockholders of the utility's capital stock, from a reduction of the par or stated value of the utility's capital stock, from the forgiveness of debt of the utility, also surplus recorded at a reorganization or in connection with a recapitalization.

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

§ 201.271 *Earned surplus.* This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include surplus includible in Account 270, Capital Surplus.

INSTRUCTIONS, GAS PLANT ACCOUNTS

NOTE: In §§ 201.3–1 to 201.3–16, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, pp. 36–51. Cross references to accounts are made by citing the account number, e. g., Account 100, instead of the corresponding section number (§ 201.100).

§ 201.3–1 *Purpose of gas plant accounts.* (a) The summary gas plant accounts are as follows:

100 Gas Plant.
100:1 Gas Plant in Service.
100:2 Gas Plant Leased to Others.
100:3 Construction Work in Progress.
100:4 Gas Plant Held for Future Use.
100:5 Gas Plant Acquisition Adjustments.
100:6 Gas Plant in Process of Reclassification.
107 Gas Plant Adjustments.

(b) Account 100 is a caption by which shall be reported the amounts in accounts 100:1 to 100:6, inclusive.

(c) Accounts 100:1 to 100:4, inclusive, are designed to show the original cost of gas plant acquired as operating units or systems by purchase, merger, consolidation, liquidation, or otherwise, and the cost to the utility of all other gas plant recorded in these accounts.

(d) Account 100:5 is designed to show the difference between the cost to the utility of gas plant acquired as operating units or systems by purchase, merger, consolidation, liquidation, or otherwise, and the original cost of the plant, due consideration being given to any depreciation, depletion, or amortization recorded by the accounting utility at the date of acquisition.

(e) Account 100:6 is designed to be used as a control account for gas plant at the effective date of this system of accounts pending the distribution thereof in accordance with the accounts prescribed in this section.

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

NOTE: See balance sheet accounts 100 and 107.

§ 201.3–2 *Classification of gas plant at effective date of system of accounts.* (a) Each utility shall classify its gas plant as of the effective date of this system of accounts in accordance with the gas plant accounts prescribed herein. The classification shall be so made as to show both the original cost and the cost to the utility of its gas plant.

(b) The cost to the utility of its gas plant shall be ascertained by analysis of the utility's records. In ascertaining the cost it is not intended that any correction need be made for depreciation, depletion, or amortization applicable to operating units or systems previously acquired, whether or not such depreciation, depletion, or amortization was recorded in the books of the accounting utility. It is likewise not intended that adjustments shall be made to record in gas plant accounts amounts previously charged to operating expenses in accordance with the uniform system of accounts in effect at the time or in accordance with the discretion of management as exercised under such uniform system of accounts.

(c) The detailed gas plant accounts (301 to 390, inclusive) shall be stated on the basis of cost to the utility of plant constructed by it and the original cost, estimated if not known, of plant acquired as an operating unit or system. The difference between the original cost, as above, and the cost to the utility of plant includible in accounts 100:1 to 100:4, inclusive, after giving effect to any depreciation, depletion, or amortization recorded by the accounting utility at the time of acquisition, shall be recorded in Account 100:5 Gas Plant Acquisition Adjustments. The original cost of gas plant may be determined by analysis of the utility's records or those of predecessor or vendor companies with respect to gas plant previously acquired as operating units or systems and the difference between the original cost so determined and the cost to the utility, with adjustments for retirements from date of acquisition to the effective date of this system of accounts, shall be entered in Account 100:5, Gas Plant Acquisition Adjustments. When practicable, amounts recorded in account 100:5 shall be classified according to the nature of the items of which composed. Any difference between the cost of gas plant and its book cost, when not properly includible in other accounts, shall be recorded in Account 107, Gas Plant Adjustments.

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

(e) Pending the classification of gas plant at the effective date of this system of accounts in accordance with the accounts prescribed herein, each utility shall maintain its present accounts with respect to such property as subaccounts of Account 100:6, Gas Plant in Process of Reclassification.

§ 201.3–3 *Gas plant to be recorded at cost.* (a) All amounts included in the accounts for tangible gas plant consisting of plant acquired as an operating unit or system shall be stated at the original cost incurred by the person who first devoted the property to gas service. All other tangible gas plant shall be included in the accounts at the cost incurred by the utility.

(b) All amounts included in the accounts for intangible gas plant shall likewise be stated on the basis provided in paragraph (a) of this section except as otherwise provided in the texts of the intangible accounts.

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

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

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

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

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

§ 201.3–4 *Gas plant purchased.* (a) When gas plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effective date of this system of accounts, the cost of acquisition, including expenses incidental thereto and properly includible in gas plant, shall be charged to Account 100:1, Gas Plant in Service, Subaccount 391, Gas Plant Purchased.

(b) The accounting for the acquisition shall then be completed as following:

(1) The original cost, estimated if not known, shall be credited to Account 100:1, Gas Plants in Service, Subaccount 391, Gas Plant Purchased, and concurrently charged to Account 100:1, Gas Plant in Service, Account 100:2, Gas Plant Leased to Others, Account 100:3, Construction Work in Progress, Account 100:4, Gas Plant Held for Future Use, as appropriate, and distributed to the detailed accounts which they control.

(2) The depreciation, or amortization and depletion reserve requirements applicable to the original costs of the properties purchased, if required by the Commission to be recorded by the accounting utility, shall be charged to Account 100:1, Gas Plant in Service, Subaccount 391, Gas Plant Purchased, and concurrently credited to Account 250:1, Reserve for Depreciation of Gas Plant, Account 250:2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights and Account 251, Reserve for Amortization of Other Limited-Term Gas Investments, as appropriate.

(3) The amount remaining in Account 391, Gas Plant Purchased, shall then be closed to Account 100:5, Gas Plant Acquisition Adjustments.

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

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

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

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

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

§ 201.3–5 *Components of construction cost.* The cost of construction properly includible in the gas plant accounts shall include, where applicable, the direct and overhead costs as listed and defined in paragraphs (a) to (f) of this section:

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

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

(c) "Materials and supplies" includes the purchase price at the point of free delivery plus customs duties, excise taxes,

the cost of inspection, loading and transportation, the related stores expenses, and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

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

NOTE B. Gas owned by the utility used in well construction shall be charged thereto at the cost with an offsetting credit to Account 749, Duplicate Charges—Credit.

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

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

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

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

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

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

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

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

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

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

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

(o) "Law expenditures" includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in protection, paragraph (g) of this section, and in injuries and damages, paragraph (h) of this section.

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

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

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

(r) "Earnings and expenses during construction" include (1) all revenues derived during the construction period from property which is included in the cost of the project under construction and (2) all expenses (except taxes) which are attributable to the revenues received.

§ 201.3–6 *Overhead construction costs.* (a) All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes, and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the gas plant accounts at the time the unit of property is retired.

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

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

§ 201.3–7 *Leased property, expenditures on.* (a) Except as provided in paragraph (b) of this section, the cost of initial improvements (including repairs, rearrangements, additions, and betterments) to property leased from others made in the course of preparing the property for service and the cost of any subsequent additions or betterments to such leased property shall be charged to the gas plant or other property account appropriate for the class of property leased.

(See account 100:1 and Operating expense instruction 5, § 201.7–5.)

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

(c) Provision for the retirement of improvements to leased property shall be made either through Account 251, Reserve for Amortization of Other Limited-Term Gas Investments, by concurrent charges to Account 504, Amortization of Other Limited-Term Gas Investments, or through Account 250:1, Reserve for Depreciation of Gas Plant, by concurrent charges to Account 503:1, Depreciation. The annual amortization or depreciation provision shall be determined in the following manner:

(1) If the service life of the improvements is terminated by action of the lease and not by depreciation (see definition 14, § 201.01–14), then the service value of the improvements should be spread over the life of the lease by charges to Account 504, Amortization of Other Limited-Term Gas Investments, and credits to Account 251, Reserve for Amortization of Other Limited-Term Gas Investments.

(2) If the service life is terminated not by action of the lease but by depreciation, then the service value of the improvements should be accounted for as depreciable plant (see accounts 503:1 and 250:1).

§ 201.3–8 *Temporary facilities.* When property ordinarily having a service life of more than 1 year is installed for temporary use in gas service, it shall be accounted for in the manner prescribed for gas plant in service.

§ 201.3–9 *Land and land rights.* (a) "Land and land rights" means land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, natural gas rights, rights-of-way, and other like interests in land.

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

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

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

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

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

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

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

(i) The cost of land and land rights acquired in excess of that used in gas operations shall be included in Account 110, Other Physical Property, or Account 100:4, Gas Plant Held for Future Use, as appropriate. Regarding land and land rights held for the production of natural gas, Account 100:1, Gas Plant in Service, shall include (1) the cost of lands owned in fee upon which producing natural gas wells are located or lands owned in fee which are being drained through the operation by the utility of wells on other land, and (2) the first cost of lands held under lease upon which the utility pays royalties for the natural gas obtained therefrom. The cost of all other land and land rights held for the production of natural gas under a definite plan for such use shall be included in Account 100:4, Gas Plant Held for Future Use.

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

(j) When the purchase of land for gas operations requires the purchase of land not used for such purposes, the charge to the specific land account shall be based upon the estimated cost of only that portion which is used for gas operations. The cost of the remaining land shall be included in Account 100:4, Gas Plant Held for Future Use, or Account 110, Other Physical Property, as appropriate.

(k) Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land. The amortization of limited-term interests in land shall be accomplished in such manner as to apportion equitably the cost of each interest over the life thereof and to produce a charge to operating expenses, for each accounting period, of the amount properly chargeable thereto for such period. For the purposes of amortization of natural gas rights, separate interests in land which constitute an interest in one pool of gas may be grouped to form a depletion unit. (See Account 250:2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights, Account 250:3, Reserve for Abandoned Leases, and Account 251, Reserve for Amortization of Other Limited-Term Gas Investments; also Account 503:2, Amortization and Depletion of Producing Natural Gas Land and Land Rights, Account 504, Amortization of Other Limited-Term Gas Investments, and Account 512, Abandoned Leases.)

(l) The items of cost to be included in the accounts for land and land rights are as follows:

(1) Bulkheads, buried, not requiring maintenance or replacement.

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

§ 201.3–10 *Structures and improvements.* (a) "Structures and improvements" means all permanent buildings and structures to house, support, or safeguard property or persons, and improvements of a permanent character other than public improvements on or to land.
(b) "Buildings" means permanent structures to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings.
(c) "Improvements" means permanent improvements (other than buildings) to land.
(d) Items of cost:

(1) Architects' plans.
(2) Ash pits (when located within the building proper).
(3) Athletic field structures and improvements.
(4) Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and plumbing.
(5) Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
(6) Chimneys.
(7) Coal bins and bunkers.
(8) Commissions and fees to brokers, agents, architects, and others.
(9) Conduit (not to be removed) with its contents.
(10) Damages to abutting property during construction.
(11) Docks.
(12) Door checks and door stops.
(13) Drainage and sewerage systems.
(14) Elevators, cranes, hoists, etc., and the machinery for operating them.
(15) Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.
(16) Fences and fence curbs (not including protective fences isolating individual items of equipment, which should be charged to the appropriate equipment account).
(17) Fire protection systems when forming a part of a structure.
(18) Floor covering (permanently attached).
(19) Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.
(20) Grading when directly occasioned by the building of a structure.
(21) Holders—relief.
(22) Holders—waterless, including steel structure, piston elevators, cost of first tar seal, tar apparatus and storage tanks, stairways, etc.
(23) Holders—waterseal, including tank construction, water, holder lifts, framework, stairways, and heating equipment.
(24) Inlet and outlet lines to holders and storage tanks, including inlet and outlet valve pits and drip pumps.
(25) Intrasite communication system, poles, pole fixtures, wires, and cables.
(26) Landscaping, lawns, shrubbery, etc.
(27) Leases, voiding upon purchase, to secure possession of structures.
(28) Leased property, expenditures on.
(29) Lighting fixtures and outside lighting systems.
(30) Natural gas wells used solely for storage of gas.
(31) Painting, first.
(32) Partitions, including movable.
(33) Permits and privileges.
(34) Platforms, railings, and gratings, when constructed as a part of a structure.
(35) Power boards for services to a building.
(36) Refrigerating systems for general use.
(37) Retaining walls, except when identified with land.
(38) Roadways, railroads, bridges, and trestles intrasite, except railroads provided for in equipment accounts.
(39) Scales, connected to and forming a part of a structure.
(40) Screens.
(41) Sewer systems, for general use.
(42) Sidewalks, curbs, and streets constructed by the utility, except sidewalks and curbs on public streets.
(43) Sprinkling systems.
(44) Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building.
(45) Storage facilities constituting a part of a building.
(46) Storm doors and windows.
(47) Subways, areaways, and tunnels, directly connected to and forming part of a structure.
(48) Tanks, constructed as part of a building or as a distinct structural unit.
(49) Tunnels, intake and discharge, when constructed as part of a structure, and those constructed to house mains.
(50) Vaults constructed as part of a building.
(51) Water-front improvements.
(52) Water-supply piping, hydrants, and wells.
(53) Water-supply system for a building or general company purposes.
(54) Wharves.
(55) Window shades and ventilators.
(56) Yard-drainage system.
(57) Yard-lighting system.
(58) Yard surfacing, gravel, concrete, or oil.

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

(e) Items not included in buildings: (1) Do not include in the cost of buildings, lighting, heating, or other fixtures temporarily attached for purposes of display or demonstration.
(2) The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.
(3) When furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.
(4) Minor buildings and structures may be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly when the nature of the structure and facility indicates the correctness of such accounting.

§ 201.3–11 *Equipment.* (a) "Equipment", as used in this system of accounts, means all tangible utility plant, other than land and structures as herein defined.
(b) The cost of equipment, unless otherwise indicated in the text of an equipment account, includes, in addition to the actual price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.
(c) Exclude from equipment accounts hand and other portable tools which are likely to be lost or stolen or which have relatively small value ($10 or less) or short life, unless the correctness of the accounting therefor is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores", shall be charged to the plant account appropriate for their use.
(d) The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building, and which cannot be removed without cutting into the floors or

the walls of the building, shall be included in the building accounts.

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

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

§ 201.3–12 *Additions and retirements of gas plant.* (a) For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property.

(b) *Retirement units.* Each utility shall adopt the List of Retirement Units contained in Appendix I of this system of accounts (Part 216 of this chapter) for use in accounting for additions to and retirements and replacements of gas plant.

(1) When a retirement unit is added to gas plant, the cost thereof shall be added to the appropriate gas plant account, except that when retirement units are acquired in the acquisition of any gas plant constituting an operating system, they shall be accounted for as provided in Gas plant instruction 4 (§ 201.3–4).

(2) When a retirement unit is retired from gas plant, with or without replacement, the book cost thereof shall be credited to the gas plant account in which it is included, determined in the manner set forth in paragraph (d) of this section. If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to gas plant shall be charged to the depreciation reserve provided for such property. (See paragraph (g) of this section, and Gas plant instruction 13 (§ 201.3–13).)

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

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the gas plant account in which it is included; and, in the event the minor item is a part of depreciable plant, the depreciation reserve shall be charged with the book cost and cost of removal and credited with the salvage. If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the property account is required, when such minor item is retired.

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

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

(e) *Land retired.* The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any reserve therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be credited to Account 401, Miscellaneous Credits to Surplus, or debited, to Account 414, Miscellaneous Debits to Surplus, as appropriate. If the land is not used in gas service but is retained by the utility, the book cost shall be charged to Account 100:4, Gas Plant Held for Future Use, or Account 110, Other Physical Property, as appropriate.

(f) *Gas plant sold.* When gas plant constituting an operating unit or system is sold, conveyed, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate gas plant accounts, including amounts carried in Account 100:5, Gas Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the depreciation and amortization reserve accounts and in Account 241, Customers' Advances for Construction, and Account 265, Contributions in Aid of Construction, shall be charged to such reserves and accounts. Unless otherwise ordered by the Commission, the difference, if any, between (1) the net amount of debits and credits and (2) the consideration received for the property (less commissions and other expenses of making the sale) shall be included in Account 414, Miscellaneous Debits to Surplus, or Account 401, Miscellaneous Credits to Surplus, as appropriate. (See Account 392, Gas Plant Sold.)

(g) The service value of gas plant retired, which is subject to charges for depreciation, shall be charged in its entirety to Account 250:1. Reserve for Depreciation of Gas Plant. Any amounts which by approval or order of the Commission are charged to Account 141, Extraordinary Property Losses, shall be credited to Account 250:1, Reserve for Depreciation of Gas Plant.

(h) The accounting for the retirement of amounts included in Account 302, Franchises and Consents, and Account 303, Miscellaneous Intangible Plant, and the items of limited-term interests in land included in the accounts for land and land rights, shall be as provided in the text of Account 250:2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights, and Account 503:2, Amortization and Depletion of Producing Natural Gas Land and Land Rights, or Account 251, Reserve for Amortization of Other Limited-Term Gas Investments, and Account 504, Amortization of Other Limited-Term Gas Investments, as appropriate.

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

§ 201.3–13 *Work order system required.* (a) All changes in gas plant (except the purchase or sale of gas plant constituting an operating unit or system) shall be recorded by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of gas plant or the retirements may be included with the construction work order, *Provided, however,* That all items relating to retirements shall be kept distinctly separate from those relating to construction, and *Provided further,* That any maintenance costs involved in the work shall likewise be kept distinctly separate.

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

§ 201.3–14 *Transfers of property.* When property consisting of one or more retirement units is transferred from one account for gas plant to another or to Account 110, Other Physical Property, from one utility department to another, such as from gas to electric, from one operating division or area to another, to or from Account 100:1, Gas Plant in Service, Account 100:2, Gas Plant Leased to Others, and Account 100:4, Gas Plant Held for Future Use, the transfer shall be recorded by transferring the book cost thereof from the one account, department, or location to the other, and likewise any related amounts carried in Account 100:5, Gas Plant Acquisition Adjustments, in the depreciation reserve, and other accounts shall be transferred in accordance with the segregation of such reserves and other accounts.

NOTE: Amounts included in Account 250:3, Reserve for Abandoned Leases, shall

not be related to a particular lease and, therefore, shall not be transferred under the provisions of this instruction.

§ 201.3–15 *Common utility plant.* (a) If the utility is engaged in more than one utility service, such as electric, gas, and street railway, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by utility services currently in the accounts, such property may, but only with the approval of the Commission, be designated and classified as "Common Utility Plant."

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

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

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

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

§ 201.3–16 *Transmission and distribution plant.* For the purpose of this part:

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

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

GAS PLANT ACCOUNTS

INTANGIBLE PLANT

NOTE: In §§ 201.301 to 201.392, inclusive, the numbers to the right of the decimal point correspond with the respective account numbers in the Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective January 1, 1940, pp. 54–74. Cross references to accounts are made by citing the account number, e. g., account 414, instead of the corresponding section number (§ 201.414).

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

ITEMS

(1) Cost of obtaining certificates authorizing an enterprise to engage in the public utility business.

(2) Fees and expenses for incorporation.

(3) Fees and expenses for mergers or consolidations.

(4) Office expenses incident to organizing the utility.

(5) Stock and minute books and corporate seal.

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

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

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

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

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

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

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

§ 201.303 *Miscellaneous intangible plant.* (a) This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of the utility's gas operations and not specifically chargeable to any other account.

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

(c) This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included in this section.

PRODUCTION PLANT

Manufactured Gas Production Plant

§ 201.311 *Land and land rights.* (a) This account shall include the cost of land and land rights used and useful in connection with manufactured gas production. (See Gas plant instruction 9, § 201.3-9.)

(b) This account shall be subdivided as follows:

311:1 Land.
311:2 Land rights.

§ 201.312 *Structures and improvements.* This account shall include the cost of structures and improvements used and useful in connection with manufactured gas production. (See Gas plant instruction 10, § 201.3-10.)

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

ITEMS

(1) Accumulators.

(2) Air preheaters, including fans and drives, and ducts not part of building.

(3) Ash disposal equipment, including sluiceways not part of a building, pumps and piping, crane, ash bucket conveyor and drives, ash cars, etc.

(4) Boilers, including valves attached thereto, casings, safety valves, soot blowers, soot hoppers, superheaters, and feed water regulators.

(5) Cinder and dust catcher system, including mechanical and electric types.

(6) Coal and coke handling equipment, including hoppers, lorries, etc., used wholly for boilers.

(7) Combustion control system, including all apparatus installed for the regulation and control of the supply of fuel or air to boilers.

(8) Control apparatus.

(9) Cranes, hoists, etc., wholly identified with apparatus listed herein.

(10) Desuperheaters and reducing valves.

(11) Draft apparatus, including forced, induced, and other draft systems, with blowers, fans, and ducts not part of building.

(12) Economizers.

(13) Feed water heaters, including primary and stage.

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

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

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

§ 201.314 *Other power equipment.* (a) This account shall include the cost installed of electric generating and accessory equipment used for supplying electricity in gas production plants.

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

ITEMS

(1) Batteries for control and general station use.
(2) Belts, pulleys, hangers, shafts, and countershafts.
(3) Cables between generators and switchboards.
(4) Compartments, including buses, connections and items permanently attached.
(5) Engines, including steam rotary or reciprocating, steam turbines, and internal combustion engines.
(6) Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
(7) Generators, A. C. or D. C., including excitation system.
(8) Motor generators, frequency changers, and converters.
(9) Overhead lines, including poles, crossarms, insulators, conductors, etc.
(10) Piping applicable to apparatus listed herein.
(11) Switchboards, including frames, panels, and instruments.
(12) Switching equipment, including oil circuit breakers, disconnecting switches, and connections.
(13) Transformers.
(14) Underground conduit system, including manholes and conductors.

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

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

ITEMS

(1) Benches.
(2) Charging and drawing machines.
(3) Control apparatus.
(4) Equipment for steaming retorts.
(5) Flues, uptakes, and breeching, whether or not stacks are included in this account.
(6) Foundations.
(7) Fuel handling equipment used exclusively for retorts, including weigh lorries, tracks, etc., and grinders, breakers, and screens located in retort house.
(8) Fuel system under retorts, including built-in producers.
(9) Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic main.
(10) Primary atmospheric condensers.
(11) Retorts—horizontal, inclined, and vertical.
(12) Stacks—brick, steel, and concrete, when set on separate foundations independent of substructure and superstructure of building.

§ 201.316 *Coke ovens.* This account shall include the cost installed of coke ovens used for the production of gas.

ITEMS

(1) Apparatus for placing coal in ovens.
(2) Clay mixers.
(3) Coke and pusher benches.
(4) Collecting mains.
(5) Control apparatus.
(6) Cover lifting machinery.
(7) Driving units for coke oven machinery.
(8) Flues, uptakes, and breeching.
(9) Foundations.
(10) Fuel handling equipment used exclusively for coal to be carbonized in ovens.
(11) Fuel systems under ovens.
(12) Hot coke wharves.
(13) Hot coke cars.
(14) Ovens.
(15) Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic main.
(16) Pushers, including tracks and driving equipment.
(17) Quenching towers, piping, etc.
(18) Stacks.
(19) Steel and iron work supports, platforms, stairways, etc.

§ 201.317 *Producer gas equipment.* This account shall include the cost installed of equipment used for the production of producer gas.

ITEMS

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

§ 201.318 *Water gas generating equipment.* This account shall include the cost installed of equipment used in the generation of water gas.

ITEMS

(1) Automatic operation equipment.
(2) Back-run installations.
(3) Blast equipment, including blowers and driving units, piping and supports.
(4) Carburetors.
(5) Control apparatus.
(6) Dust collectors.
(7) Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
(8) Generators.
(9) Hydraulic operation equipment.
(10) Oil handling and storage apparatus used solely for water gas apparatus.
(11) Operating floors and supports, stairways, etc.
(12) Piping and valves—steam (commencing at steam header), tar (to decanter), water (inside of building) and gas (up to outlet of final pieces of apparatus in building).
(13) Seal pots.
(14) Superheaters and superheater stacks.
(15) Valve operating mechanisms.
(16) Wash boxes.

§ 201.319 *Petroleum gas equipment.* (a) This account shall include the cost installed of equipment used for the production of gas from petroleum derivatives, such as propane, butane, or gasoline.

(b) Subdivisions of this account shall be maintained for each producing process for which this account is provided. A separate subaccount shall be maintained also for bottling equipment included in this section.

ITEMS

(1) Bottling equipment.
(2) Carbureting equipment.
(3) Compression equipment.
(4) Control apparatus.
(5) Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
(6) Mixing or proportioning equipment.
(7) Piping—steam (commencing at steam header), water (inside of building), oil (from supply tank), and gas (up to outlet of final piece of apparatus in building).
(8) Pumps, including driving units.
(9) Storage equipment.
(10) Valves—regulating and check.
(11) Vaporizing equipment.

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

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

ITEMS

(1) Bins—mixing, refuse, storage, etc.
(2) Breaker equipment.
(3) Bridges, bridge track, and machinery.
(4) Bucket conveyors.
(5) Cars.
(6) Chutes.
(7) Coal preparation machinery, including washing and drying equipment.
(8) Conveyors and supports.
(9) Cranes.
(10) Driving apparatus for equipment listed herein.
(11) Elevators.
(12) Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
(13) Loading towers and equipment.
(14) Locomotives.
(15) Pits.
(16) Pulverizing equipment.
(17) Railroad sidings and yard tracks.
(18) Sampling equipment.
(19) Scales.
(20) Screens.
(21) Sheds.
(22) Transfer cars and trucks.
(23) Trestles.

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

ITEMS

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

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

ITEMS

(1) Condensers and washer coolers.
(2) Dehydrators.
(3) Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
(4) Naphthalene and light oil scrubbers.
(5) Other accessory equipment such as coolers, spray ponds, pumps, platforms, railings, stairs.
(6) Piping—air, steam, water, gas, condensate, liquor, tar, etc., from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
(7) Purifiers—iron oxide or liquid, including first filling.
(8) Scrubbers.
(9) Sulfur removal apparatus.
(10) Tar extractors and Cottrell precipitators.
(11) Wash boxes.

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

ITEMS

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

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

ITEMS

(1) Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
(2) Gas mixing equipment.
(3) Odorizing equipment.
(4) Office furniture and equipment.
(5) Oil foggers.
(6) Piping—yard, and not includible in other accounts.
(7) Production laboratory equipment.
(8) Works exhauster, including driving unit and governor.
(9) Works station meters, including gauges, piping, and accessories.

Natural Gas Production Plant

§ 201.330:1 *Natural gas producing lands.* This account shall include the cost of lands held in fee on which producing natural gas wells are located, and lands held in fee which are being drained of natural gas through the operation by the utility of wells on other land. (See Gas plant instruction 9–I, § 201.3–9 (i).)

§ 201.330:2 *Natural gas producing leaseholds.* (a) This account shall include the cost to the utility of acquiring leaseholds on which the utility pays royalties for natural gas obtained therefrom. (See Gas plant instruction 9–I, § 201.3–9 (i).)

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

§ 201.330:3 *Natural gas rights.* This account shall include the cost to the utility of natural gas rights used in producing natural gas, whereby the utility obtains ownership in gas underlying land not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to Account 330:2, Natural Gas Producing Leaseholds.

§ 201.330:4 *Rights-of-way.* This account shall include the first cost of all interests in land which do not terminate until more than one year after they become effective and on which are located gathering pipe lines, telephone pole lines, and like property used in connection with the production of natural gas.

§ 201.330:5 *Other land and land rights.* This account shall include the cost of land and land rights used in connection with the production of natural gas, when not properly assignable to any of the foregoing accounts.

§ 201.331:1 *Gas well structures.* This account shall include the cost of well structures and improvements used in connection with the housing of permanent bailers and other equipment necessary to keep the wells in operation. (See Gas plant instruction 10, § 201.3–10.)

§ 201.331:2 *Field measuring and regulating station structures.* (a) This account shall include the cost of structures and improvements used in connection with the housing of meters, regulators, and appurtenant appliances for regulating and/or measuring natural gas before it is conveyed to the terminus of the field lines. (See Gas plant instruction 10, § 201.3–10.)

(b) This account shall be subdivided as follows:

331:21 Field Compressor Station Structures.
331:22 Field Measuring and Regulating Station Structures.

§ 201.331:3 *Other production system structures.* This account shall include the cost of structures and improvements used in connection with natural gas production not provided for elsewhere. (See Gas plant instruction 10, § 201.3–10.)

§ 201.332:1 *Producing gas wells—well construction.* This account shall include the cost of drilling producing gas wells.

ITEMS

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

§ 201.332:2 *Producing gas wells—well equipment.* This account shall include the cost of equipment in producing gas wells.

ITEMS

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

§ 201.333:1 *Field lines.* This account shall include the cost installed of field lines used in conveying natural gas from the wells to the point where it enters the transmission or distribution system.

ITEMS

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

§ 201.333:2 *Field measuring and regulating station equipment.* (a) This ac-

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

(b) This account shall be subdivided as follows:

333:21 Field Compressor Station Equipment.
333:22 Field Measuring and Regulating Station Equipment.

ITEMS

(1) Boosters.
(2) Driving units.
(3) Instruments, meters, pressure gages, etc.
(4) Pressure regulators.
(5) Pumps.

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

ITEMS

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

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

ITEMS

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

§ 201.336 *Residual refining equipment.* This account shall include the cost installed of apparatus used in extracting, refining, and handling of gasoline and other useful residuals.

ITEMS

(1) Apparatus for removal of residuals from purifier liquids.
(2) Condensers.
(3) Control apparatus.
(4) Coolers.
(5) Decanters.
(6) Foundations specially constructed for and not intended to outlast the apparatus for which provided.
(7) Instruments.
(8) Light oil stills, washers, etc.
(9) Natural gas gasoline absorption and refining equipment.
(10) Piping and pumps.
(11) Separators.
(12) Storage tanks.
(13) Oil well gas gathering and residue return lines when primarily devoted to gasoline extraction.

§ 201.337 *Other production equipment.* (a) This account shall include the cost installed of equipment used in the production of gas, when not assignable to any of the foregoing accounts.

(b) This account shall be subdivided as follows:

337:1 Other Production Equipment—Mixing Equipment.
337:2 Other Production Equipment—Production Laboratory Equipment.
337:3 Other Production Equipment—Miscellaneous.

ITEMS

(1) Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
(2) Gas mixing equipment.
(3) Odorizing equipment.
(4) Office furniture and equipment.
(5) Oil foggers.
(6) Piping—yard, and not includible in other accounts.
(7) Production laboratory equipment.
(8) Works exhauster, including driving unit and governor.
(9) Works station meters, including gages, piping, and accessories.

STORAGE PLANT

§ 201.341 *Land and land rights.* This account shall include the cost of land and land rights used in connection with gas storage. (See Gas plant instruction 9, § 201.3–9.)

§ 201.342 *Structures and improvements.* This account shall include the cost in place of structures and improvements used in connection with gas storage. (See Gas plant instruction 10, § 201.3–10.)

NOTE: Include relief holders in this account.

TRANSMISSION PLANT

§ 201.351 *Land and land rights.* (a) This account shall include the cost of land and land rights used in connection with transmission operations. (See Gas plant instruction 9, § 201.3–9.)

(b) This account shall be subdivided as follows:

351:1 Land.
351:2 Land Rights.

§ 201.352 *Structures and improvements.* (a) This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See Gas plant instruction 10, § 201.3–10.)

(b) This account shall be subdivided as follows:

352:1 Pumping Station Structures.
352:2 Measuring and Regulating Station Structures.

§ 201.353 *Mains.* (a) This account shall include the cost installed of transmission system mains.

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

ITEMS

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

§ 201.354 *Pumping and regulating equipment.* (a) This account shall include the cost installed of pumping, regulating, and measuring equipment, including all transmission property other than land, structures, and mains.

(b) This account shall be subdivided as follows:

354:1 Pumping Station Equipment.
354:2 Measuring and Regulating Station Equipment.

ITEMS

(1) After-cooling equipment and accessories.
(2) Boosters.
(3) Compressors.
(4) Driving units for items listed herein.
(5) Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
(6) Foundations and vaults for items listed herein.
(7) Meters located on lines.
(8) Odorization equipment.
(9) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
(10) Piping and fittings for equipment.
(11) Pressure indicators.
(12) Valves and valve pits.
(13) Governors or regulators.
(14) Office furniture and equipment.

DISTRIBUTION PLANT

§ 201.357 *Land and land rights.* (a) This account shall include the cost of land and land rights used in connection with distribution operations. (See Gas plant instruction 9, § 201.3–9.)

(b) This account shall be subdivided as follows:

357:1 Land.
357:2 Land Rights.

§ 201.358 *Structures and improvements.* This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See Gas plant instruction 10, § 201.3–10.)

§ 201.359 *Mains.* (a) This account shall include the cost installed of distribution system mains.

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

ITEMS

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

§ 201.360 *Pumping and regulating equipment.* This account shall include the cost installed of pumping, regulating,

and measuring equipment, including all equipment on distribution lines not provided for elsewhere.

ITEMS

(1) Boosters.
(2) Compressors.
(3) Driving units for items listed herein.
(4) Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
(5) Foundations and vaults for items listed herein.
(6) Governors or regulators for pressure in mains.
(7) Meters located on lines.
(8) Odorizing equipment and oil foggers and saturators, when installed in pumping and regulating pits on distribution mains.
(9) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
(10) Piping and fitting for equipment.
(11) Pressure indicators.
(12) Pressure regulating devices.
(13) Valves and valve pits.

§ 201.361 *Services.* (a) This account shall include the cost installed of service pipes, from the point at which the main is tapped to and including the first fitting or valve inside of the building wall, when the utility incurs such cost or when the utility assumes full responsibility for the maintenance and replacement of property paid for by the customer. This includes the cost of stub services run in anticipation of future use, even if such services have never been used.

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

(c) Services which have been used but have become inactive shall be retired or transferred to Account 100:4, Gas Plant Held for Future Use, immediately if there is no prospect of reuse, and, in any event, shall be retired by the end of the second year following that during which the service became inactive unless reused during the interim. No portion of a completed service shall be accounted for as a stub service after the use thereof has been discontinued.

ITEMS

(1) Curb valves and curb boxes.
(2) Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
(3) Municipal inspection.
(4) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
(5) Permits.
(6) Pipe and fittings, including saddle, T, or other fitting on street main.
(7) Pipe coating.
(8) Protection of street openings.

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

§ 201.362 *Meters.* (a) This account shall include the cost of meters or devices for use in measuring the quantity of gas delivered to users, whether actually in service or held in reserve.

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

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

ITEMS

(1) Meters, including badging and initial testing.

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

§ 201.363 *Meter installations.* (a) This account shall include the cost of labor employed, materials used, and expenses incurred in connection with the original installation of customers' meters.

(b) Except as modified by paragraph (c) of this section, when a meter installation is permanently retired from service, the cost thereof shall be credited to this account.

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

ITEMS

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

§ 201.364 *House regulators.* (a) This account shall include the cost of house regulators whether actually in service or held in reserve.

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

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

§ 201.365 *House regulator installations.* (a) This account shall include the cost of labor employed, materials used, and expenses incurred in connection with the original installation of house regulators.

(b) Except as modified by paragraph (c) of this section, when a house regulator installation is permanently retired from service, the cost thereof shall be credited to this account.

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

ITEMS

(1) Cocks.
(2) Locks.
(3) Pipe and fittings.
(4) Regulator vents.
(5) Swivels and bushings.

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

§ 201.367 *Street lighting equipment.* This account shall include the cost installed of property used solely for street lighting.

ITEMS

(1) Antifreezers.
(2) Burners and burner regulators.
(3) Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
(4) Lampposts.
(5) Lamps.
(6) Lamp services and risers.
(7) Municipal inspection.
(8) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
(9) Permits.
(10) Protection of street openings.

§ 201.368 *Other distribution system equipment.* This account shall include the cost installed of all other distribution system equipment not provided for in the foregoing accounts.

GENERAL PLANT

§ 201.370 *Land and land rights.* (a) This account shall include the cost of land and land rights used for gas utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See Gas plant instruction 9, § 201.3–9.)

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

§ 201.371 *Structures and improvements.* (a) This account shall include the cost in place of structures and improvements used for gas utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See Gas plant instruction 10, § 201.3–10.)

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

§ 201.372 *Office furniture and equipment.* (a) This account shall include the cost of office furniture and equipment owned by the utility and devoted to gas service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts (such as Account 337, Other Production Equipment) on a functional basis. Articles of slight value or short

service life acquired subsequent to the commencement of operations shall be charged to the appropriate operating expense account and not to this account.

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

ITEMS

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

§ 201.373 *Transportation equipment.* (a) This account shall include the cost of transportation and garage equipment when such equipment is not an integral part of the housing structures.

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

ITEMS

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

§ 201.374 *Stores equipment.* (a) This account shall include the cost of equipment used for the receiving, shipping, handling, and storage of materials and supplies, which are not includible in other accounts.

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

ITEMS

(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.

§ 201.375 *Shop equipment.* (a) This account shall include the cost installed of equipment specially provided for general shops when such equipment is not an integral part of the housing structure.

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

ITEMS

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

§ 201.376 *Laboratory equipment.* (a) This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specially provided for or includible in other utility plant accounts.

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

ITEMS

(1) Balances and scales.
(2) Barometers.
(3) Calorimeters—bomb, flow, recording types, etc.
(4) Electric furnaces.
(5) Gas burning equipment.
(6) Gages.
(7) Glassware, beakers, burrettes, 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) Sulfur 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.

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

ITEMS

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

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

ITEMS

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

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

ITEMS

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

§ 201.390 *Other tangible property.* This account shall include the cost of tangible gas plant not provided for elsewhere.

§ 201.391 *Gas plant purchased.* (a) This account shall include the cost of gas plant acquired as an operating unit or system by purchase, merger, consolidation, or otherwise, pending the distribution thereof to the appropriate accounts in accordance with Gas plant instruction 4, § 201.3–4.

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

§ 201.392 *Gas plant sold.* (a) This account shall be credited temporarily with the selling price of gas plant constituting an operating unit or system, sold, conveyed, or transferred to another through sale, merger, consolidation, or otherwise, pending the completion of the accounting for the transaction as provided in Gas plant instruction 12, § 201.3–12.

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

INSTRUCTIONS, EARNED SURPLUS ACCOUNT

§ 201.4–1 *Purpose of earned surplus account.* The earned surplus account is the collective title for a group of accounts which form the connecting link between the income account and the balance sheet. The several accounts thereof (400 to 414) are designed to show the changes in earned surplus or deficit during each calendar year resulting from (a) the operations and other transactions during the period as reflected in the income accounts, (b) appropriations or other reservations of earned surplus for specific purposes, (c) accounting adjustments not properly attributable to the period, (d) miscellaneous gains and losses not accounted for elsewhere, and (e) appropriations for dividends.

EARNED SURPLUS ACCOUNT

CREDITS

NOTE: In §§ 201.400 to 201.414, inclusive, the numbers to the right of the decimal point correspond with the respective account numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective January 1, 1940, pp. 76, 77.

§ 201.400 *Credit balance transferred from income account.* This account shall include the net credit balance transferred from the income account for the year.

§ 201.401 *Miscellaneous credits to surplus.* (a) This account shall include all credits affecting the earned surplus or deficit but not provided for elsewhere. Among the items which shall be credited to this account are:

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

(2) Delayed credits to income, operating revenue, and operating expense accounts as provided in General instruction 6 (§ 201.02–6).

(3) Profits on retirements of the utility's debt securities. (See Balance sheet instruction 6, § 201.1–6.)

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

DEBITS

§ 201.410 *Debit balance transferred from income account.* This account shall include the net debit balance transferred from the income account for the year.

§ 201.411 *Dividend appropriations—preferred stock.* (a) This account shall include amounts declared payable out of surplus or earnings as dividends on actually outstanding preferred or prior lien capital stock issued by the utility, or the amounts credited to a reserve for dividends.

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

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

§ 201.412 *Dividend appropriations—common stock.* (a) This account shall include amounts declared payable out of surplus or earnings as dividends on actually outstanding common capital stock issued by the utility, or the amounts credited to a reserve for dividends.

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

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

§ 201.413 *Miscellaneous reservations of surplus.* (a) This account shall include the reservations or appropriations of earned surplus for purposes not provided for elsewhere in this system of accounts.

(b) The entries to this account shall show the nature of each reservation of earned surplus.

§ 201.414 *Miscellaneous debits to surplus.* (a) This account shall include amounts chargeable to earned surplus but not provided for elsewhere. Among the items which shall be charged hereto are:

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

(2) Decline in value of investments. (See Balance sheet instruction 4, § 201.1–4.)

(3) Delayed debits to income, operating revenue, and operating expense accounts, as provided in General instruction 6 (§ 201.02–6).

(4) Payments of amounts previously credited to earned surplus.

(5) Losses on reacquirement of utility's debt securities. (See Balance sheet instruction 6, § 201.1–6.)

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

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

INSTRUCTIONS, INCOME ACCOUNTS

NOTE: In §§ 201.5–1 to 201.5–4, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, p. 78. Cross references to accounts are made by citing the account number, e. g., Account 113, instead of the corresponding section number (§ 201.113).

§ 201.5–1 *Purpose of income accounts.* The income accounts (501 to 540) are designed to show for each month and each calendar year the operating revenues and expenses, the other income, the income deductions, the net income, the miscellaneous reservations of net income, and the amount of income or loss remaining for transfer to earned surplus.

§ 201.5–2 *Records for other income.* The records supporting the other income shall be so kept that the utility can furnish detailed statements of the revenues from each source and the expenses and other deductions related to such revenues.

§ 201.5–3 *Income from sinking and other funds.* (a) Interest and other revenues derived from funds carried in Account 113, Sinking Funds, and Account 114, Miscellaneous Special Funds, shall be credited to Account 525, Revenues from Sinking and Other Funds.

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

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

§ 201.5–4 *Rents includible in income accounts.* (a) Rents which the utility receives from others for gas operating property, the investment in which is properly includible in Account 100.2, Gas Plant Leased to Others, shall be recorded in Account 508, Income from Gas Plant Leased to Others. Rentals from gas property owned by the utility and properly includible in Account 100.1, Gas Plant in Service, shall be credited to Account 610, Rent from Gas Property.

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

INCOME ACCOUNTS

UTILITY INCOME

NOTE: In §§ 201.501 to 201.540, inclusive, the numbers to the right of the decimal point (except that a colon has been substituted in each instance where a decimal point was used in the original account number) correspond with the respective account numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective January 1, 1940, pp. 80–86. Cross references to accounts are made by citing the account number, e. g., Account 507, instead of the corresponding section number (§ 201.507).

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

§ 201.502 *Operating expenses.* Under this caption shall be included the total

expenses shown in accounts 701 to 809, incurred by the utility in its gas operations during the period covered by the income account.

§ 201.503:1 *Depreciation.* (a) This account shall include the depreciation expense applicable to gas plant in service and in process of reclassification (accounts 100.1 and 100.6) for the period covered by the income account, except such depreciation expense as may be charged to clearing accounts or to construction work in progress, or to Account 508, Income from Gas Plant Leased to Others.

(b) This account shall be subdivided as follows:

503:11 Depreciation of Production Plant—Manufactured Gas.
503:12 Depreciation of Production Plant—Natural Gas.
503:13 Depreciation of Storage Plant.
503:14 Depreciation of Transmission Plant.
503:15 Depreciation of Distribution Plant.
503:16 Depreciation of General Plant.

§ 201.503:2 *Amortization and depletion of producing natural gas land and land rights.* (a) This account shall include the charges applicable to the period covered by the income account for amortization and depletion of producing natural gas land and land rights. (See Account 250:2, Reserve for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

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

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

§ 201.505 *Amortization of gas plant acquisition adjustments.* (a) This account shall be debited or credited, as the case may be, with amounts includible in operating revenue deductions for the purpose of providing for the extinguishment of the amount in Account 100:5, Gas Plant Acquisition Adjustments, pursuant to approval or order of the Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE H: Taxes applicable to construction shall be charged to Account 100:3, Construction Work in Progress.

§ 201.508 *Income from gas plant leased to others.* (a) This account shall include the rental income from gas property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in Account 100:2, Gas Plant Leased to Others.

(b) This account shall be subdivided as follows:

508:1 Revenues from Plant Leased to Others.
508:2 Expenses of Plant Leased to Others.

(c) This account shall be so kept or supported as to show separately the following for each lease:

(1) Rentals.
(2) Expenses.
(3) Depreciation, amortization, and depletion.
(4) Taxes.
(5) Uncollectible rents.

§ 201.509 *Other utility operating income.* (a) Under this caption shall be included revenues received and expenses incurred in connection with operations of utility plant, the book cost of which is included in Account 108, Other Utility Plant.

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

EXPLORATION AND DEVELOPMENT COSTS

§ 201.510 *Delay rentals.* (a) This account shall be charged with the amount of rents paid periodically on natural gas lands in order to hold natural gas land and land rights for the purpose of obtaining a supply of gas in the future.

(b) Include also in this account the cost of obtaining natural gas leases for a period of one year or less.

(c) Records supporting this account shall be so kept that the utility can furnish complete details of the charges made for each natural gas leasehold. (See note to Gas plant instruction 9–I, § 201.3–9 (i).)

§ 201.511 *Nonproductive well drilling.* This account shall include the cost of drilling nonproductive wells during the period covered by the income account.

NOTE. Records in support of the charges to this account shall conform, as appropriate, to paragraph B of General instruction 11 (§ 201.02–11), Records for Each Plant.

§ 201.512 *Abandoned leases.* (a) This account shall be charged with amounts credited to Account 250.3, Reserve for Abandoned Leases, to cover the probable loss on abandonment of natural gas leases included in Account 100:4, Gas Plant Held for Future Use, which have never been productive.

(b) When natural gas leaseholds which have never been productive are abandoned, and the amounts provided in Account 250:3, Reserve for Abandoned Leases, are not sufficient to cover the cost thereof, the deficiency shall be charged to this account, unless otherwise authorized or directed by the Commission. (See account 141.)

§ 201.513 *Other exploration costs.* This account shall be charged with the cost of abandoned projects on which preliminary expenditures were made for the purpose of determining the feasibility of acquiring acreage to provide a future supply of natural gas. (See Account 142:1, Preliminary Natural Gas Survey and Investigation Charges.)

OTHER INCOME

§ 201.520 *Income from merchandising, jobbing, and contract work.* (a) This account shall include all revenues derived from and expenses incurred in the sale of gas merchandise and jobbing

or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under agency contracts, whereunder it undertakes to do jobbing work for another for a stipulated profit or commission.

(b) The account shall be subdivided as follows:

520:1 Revenues from Merchandising, Jobbing, and Contract Work.
520:2 Costs and Expenses of Merchandising, Jobbing, and Contract Work.

Account 520:2 shall further be subdivided so as to show the major items of costs and expenses.

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

§ 201.521 *Income from nonutility operations.* (a) This account shall include the revenues from and the expenses incurred in nonutility operations.

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

(c) Subdivide this account as follows:

521:1 Revenues from Nonutility Operations.
521:2 Expenses of Nonutility Operations.

§ 201.522 *Revenues from lease of other physical property.* (a) This account shall include all rent revenues from land, buildings, or other property not devoted to utility operations.

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

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

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

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

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

§ 201.524 *Interest revenues.* Report by this caption the amounts included in accounts 524:1 and 524:2.

§ 201.524:1 *Interest on securities owned.* This account shall include interest revenues on investments in securities of other companies.

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

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

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

NOTE D: This account may include for each month the applicable amount requisite to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the par value of securities on which the interest is received. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. (See Balance sheet instructions 4, § 201.1–4.)

§ 201.524:2 *Other interest revenues.* This account shall include interest revenue on loans, notes, advances, special deposits, and all other interest-bearing assets, except as provided in account 524.1.

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

§ 201.525 *Revenues from sinking and other funds.* (a) This account shall include all revenues (whether interest or dividends) accrued on cash, securities, or other assets held in Account 113, Sinking Funds, and Account 114, Miscellaneous Special Funds.

(b) This account may include for each month the applicable amount requisite to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the par value of debt securities held in sinking or other funds. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. (See Balance sheet instruction 4, § 201.1–4.)

(c) This account covers all revenues from sinking and other funds carried in accounts 113 and 114, whether or not such revenues are required to be retained in the funds. If the revenues are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretions to the fund shall be concurrently credited to the appropriate reserve account and charged to Account 540, Miscellaneous Reservations of Net Income, or Account 413, Miscellaneous Reservations of Surplus, as appropriate.

§ 201.526 *Miscellaneous nonoperating revenues.* This account shall include all revenue items, properly includible in the income account and not provided for elsewhere.

ITEMS

(1) Fees collected in connection with the exchange of coupon bonds for registered bonds.

(2) Profits from operations of others realized by the utility under contracts.

§ 201.527 *Nonoperating revenue deductions.* (a) This account shall include the expenses, taxes, and uncollectible bills applicable to the period covered by the income account which are associated or incurred in connection with the revenues which are includible in accounts 522 to 526, inclusive, and miscellaneous nonoperating expenses not provided for elsewhere.

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

INCOME DEDUCTIONS

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

(b) The amount charged to this account shall be credited concurrently to Account 229:1, Interest Accrued on Long-Term Debt.

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

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

§ 201.531 *Amortization of debt discount and expense.* (a) This account shall include in each accounting period the portion of unamortized debt discount and expense on outstanding long-term debt which is applicable to such period

(b) The amount of unamortized debt discount and expense chargeable to each accounting period shall be determined in accordance with Balance sheet instruction 6 (§ 201.1–6).

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

§ 201.532 *Amortization of premium on debt—credit.* (a) This account shall include in each accounting period the portion of unamortized premium on outstanding long-term debt which is applicable to such period.

(b) The amount of unamortized premium on debt includible in each accounting period shall be determined in accordance with Balance sheet instruction 6 (§ 201.1–6).

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

§ 201.533 *Taxes assumed on interest.* This account shall include amounts paid to holders of the bonds or other indebtedness of the utility, or amounts paid to governmental agencies in their behalf in respect to income and other taxes levied against the income from such debt or levied as a tax on ownership of the debt, where such taxes are assumed by the utility.

§ 201.534 *Interest on debt to associated companies.* There shall be reported by this caption the amounts included in Accounts 534:1 and 534:2.

§ 201.534:1 *Interest on advances from associated companies.* (a) This account shall include interest accrued on amounts included in Account 212, Advances from Associated Companies.

(b) The record supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest, and the principal amount

of the advances on which the interest is accrued.

§ 201.534:2 *Interest on other debt to associated companies.* (a) This account shall include interest accrued on amounts recorded in Account 223:1, Notes Payable to Associated Companies, on amounts recorded in Account 223:2, Accounts Payable to Associated Companies, and on any other obligation to associated companies, except advances from such companies, the interest on which is includible in account 534:1.

(b) The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest, the nature of the obligation on which accrued, and the account or accounts credited with the accrual.

§ 201.535 *Other interest charges.* (a) This account shall include all interest charges not provided for elsewhere.

(b) A list of some of the items of indebtedness, the interest on which is chargeable to this account follows:

(1) Assessments for public improvements past due.
(2) Claims and judgments.
(3) Customers' deposits.
(4) Notes payable on demand or maturing 1 year or less from date, except notes payable to associated companies.
(5) Open accounts, except with associated companies.
(6) Tax assessments past due.

§ 201.536 *Interest charged to construction—credit.* This account shall include concurrent credits for interest charged to construction in accordance with Gas plant instruction 5 (17), § 201.3–5 (q)).

§ 201.537 *Miscellaneous amortization.* This account shall include amortization expenses not elsewhere provided for in this system of accounts, and also such amounts as the Commission may, by order, require to be included herein, such as amortization of amounts in Account 100:5, Gas Plant Acquisition Adjustments.

§ 201.538 *Miscellaneous income deductions.* This account shall include miscellaneous debits to income, not provided for elsewhere.

ITEMS

(1) Decline in value of investments. (See Balance sheet instructions 4, § 201.1–4.)
(2) Donations.
(3) Expenditures for associated companies for which the utility will not be reimbursed.

DISPOSITION OF NET INCOME

§ 201.540 *Miscellaneous reservations of net income.* (a) This account shall include reservations of net income, such as may be required under the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements, and other reservations of net income.

(b) Amounts charged to this account shall be credited concurrently to the appropriate reserve account.

(c) The entries in this account shall show the nature of each reservation of income.

INSTRUCTIONS, OPERATING REVENUE ACCOUNTS

NOTE: In §§ 201.6–1 to 201.6–7, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, pp. 87, 88. Cross references to accounts are made by citing the account numbers, e. g., Account 130, instead of the corresponding section number (§ 201.130).

§ 201.6–1 *Purpose of operating revenue accounts.* The operating revenue accounts (600 to 619) are designed to show the amounts of money which the utility becomes entitled to receive from furnishing gas utility service and from service incidental thereto, including amounts for services rendered but not yet billed, where the utility exercises its option and records on its books such accrued gas revenue. (See Account 130, Accrued Utility Revenues.)

§ 201.6–2 *Basis of credits to operating revenue accounts.* (a) Credits to the operating revenue accounts shall be made on the basis of the net price charged. Discounts forfeited and penalties charged for delayed payments shall be credited to Account 612, Customers' Forfeited Discounts and Penalties. Corrections of overcharges and overcollections theretofore credited, authorized abatements and allowances, and other corrections shall be charged to the revenue accounts to which they relate.

(b) Separate subdivisions shall be maintained under each revenue account, as appropriate, for revenues derived from sales of gas on an unmetered basis.

§ 201.6–3 *Commissions on gas sales.* If the utility distributes all or a part of its gas through an agent but the sales are made to consumers under rate schedules filed by the utility, then the utility shall credit its revenue accounts with the full amount of sales to consumers. The commission paid to the agent shall be charged to Account 804, Commissions Paid Under Agency Sales Contracts, and any distribution expenses charged by the agent shall be debited to the appropriate expense accounts. Agents shall credit the amount of commissions earned to Operating Revenue Account 619, Miscellaneous Gas Revenues.

§ 201.6–4 *Gas supplied without direct charge.* Gas supplied to municipalities, or to other governmental units, without charge, in accordance with franchise and similar requirements, shall be charged to Account 805, Franchise Requirements, and credited concurrently to Account 806, Duplicate Miscellaneous Charges—Credit.

§ 201.6–5 *Gas used by utility.* (a) If the utility desires to charge the appropriate accounts in any of its gas operations with the cost of gas used from its own supply, the credit therefore shall not be made to operating revenue accounts, but to the appropriate duplicate charges credit account.

(b) Gas supplied by the utility from its own supply to other departments shall be accounted for in the following manner: If the gas is supplied under a definite arrangement whereby the actual costs, by accounts, are allocated between or among the departments using the gas, the credit in the accounts of the gas department shall be made to the appropriate joint expense credit account or accounts, except that the amount of any return or interest, and the amount of depreciation and taxes charged against the other departments shall be credited to Account 611, Interdepartmental Rents. If the charges are at specified rates or at tariff rates for the gas supplied, then the entire amount charged shall be credited to Account 607, Interdepartmental Sales.

§ 201.6–6 *Supporting records.* Each utility shall so keep the records supporting the entries to each gas operating revenue account that it can furnish (1) the name of each customer, (2) the quantity (uniform basis of measurement) of gas furnished to each customer, (3) the amount charged for gas furnished each customer, and (4) the rate schedule or schedules under which the charge is made. Each utility shall also be prepared to report, upon request, within a reasonable time, for each month or other billing period and for each year, the quantity of gas sold and the charges therefor, by rate schedules.

§ 201.6–7 *Segregation of sales to associated companies.* The utility shall keep its records in such manner as to be able to report by rate schedules the quantity of gas sold and the amount received therefor on sales to each associated company.

OPERATING REVENUE ACCOUNTS

GAS SERVICE REVENUES

NOTE: In §§ 201.600 to 201.619, inclusive, the numbers to the right of the decimal point correspond with the respective account numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, pp. 90–92. Cross references to accounts are made by citing the account number, e. g., Account 615, instead of the corresponding section number (§ 201.615).

§ 201.600 *Residential sales.* (a) This account shall include revenues from gas supplied for residential purposes.

(b) When gas supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account, or in Account 602, Commercial and Industrial Sales, according to the principal use.

§ 201.602 *Commercial and industrial sales.* (a) This account shall include revenues from gas supplied for commercial and industrial purposes.

(b) When gas supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account, or in Account 600, Residential Sales, according to the principal use.

(c) This account shall be subdivided as follows:

602:1 Commercial Sales.
602:2 Industrial Sales.

§ 201.603 *Public street and highway lighting.* This account shall include

revenues from gas supplied and services rendered for the purpose of lighting streets, highways, parks, and other public places for municipalities, or other divisions or agencies of State or Federal governments.

§ 201.604 *Other sales to public authorities.* This account shall include the revenues from the sale of gas supplied to municipalities or divisions, or agencies of Federal or State governments, under special contracts or agreements or service classification applicable only to public authorities, except such revenues as are includible in accounts 603 and 605.

§ 201.605 *Sales to other gas utilities.* (a) This account shall include revenues from gas supplied to other gas utilities or to public authorities for redistribution.

(b) Revenues from gas supplied to other public utilities, for use by them and not for distribution, shall be included in account 602, unless supplied under the same contract as and not readily separable from revenues includible in this account.

§ 201.607 *Interdepartmental sales.* This account shall include the amounts charged to other departments of the utility by the gas department for gas supplied by the latter, if the charges are at tariff or other specified rates for the gas supplied. (See Operating revenue instruction 5 (§ 201.6–5) and Account 611, Interdepartmental Rents.)

§ 201.608 *Other sales.* This account shall include revenues derived from sales of gas which are not properly includible in the revenue accounts 600 to 607, inclusive.

OTHER GAS REVENUES

§ 201.610 *Rent from gas property.* (a) This account shall include rents received for the use by others of land, buildings, and other property devoted to gas operations by the utility. This covers such matters as rent from office buildings, stations, land, etc.

(b) When the utility employs some of its gas plant for the benefit of another or others under a definite arrangement for apportioning the actual expenses by accounts among the several participants in the arrangement, and such arrangement provides for the receipt by the accounting utility of any profit or return upon its property, such profit or return, together with the amount of depreciation and taxes charged to another or others pursuant to the arrangement, shall be credited to this account. (See Operating expense instruction 6, § 201.6–6.)

NOTE: Do not include rents from property constituting an operating unit or system in this account. (See Account 508, Income from Gas Plant Leased to Others.)

§ 201.611 *Interdepartmental rents.* This account shall include the rents creditable to the gas department on account of rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate the costs, by accounts, among the departments using the property, the reimbursement to the gas department for operating and maintenance expenses shall be credited to the appropriate joint expense credit account or accounts, but the reimbursements for interest or return and depreciation and taxes shall be credited to this account. (See Operating expense instruction 6, § 201.6–6.)

NOTE: Charges for gas supplied other departments at tariff or other specified rates shall not be included in this account but in Account 607, Interdepartmental Sales. (See Operating revenue instruction 5, § 201.7–5.)

§ 201.612 *Customers' forfeited discounts and penalties.* This account shall include the amounts which the utility allows its customers on condition that they pay their gas bills on or before a specified date and which are forfeited by the customers because of failure to pay within the specified time, as well as the amounts of penalties imposed by the utility on its customers because of failure to pay bills within a specified time.

§ 201.614 *Servicing of customers' installations.* This account shall include revenues accruing to the utility from charges to customers on account of the maintenance of appliances, piping, or other installations on customers' premises.

§ 201.615 *Revenue from transportation of gas of others.* This account shall include all revenue accruing to the utility from other companies for transmitting gas through its production, transmission, and distribution lines or compressor stations.

§ 201.616 *Revenue from incidental gasoline sales.* This account shall include the revenue derived from natural gas, gasoline produced direct from gas wells, recovered from drips, and procured in connection with purification processes.

§ 201.617 *Revenue from processing natural gas.* This account shall include the revenue derived from royalties and permits or other basis of settlement for permission granted others from the right to remove products from natural gas.

§ 201.618 *Revenue from incidental oil sales.* This account shall be credited with revenues derived from the sale of oil produced from wells which produce oil and gas, the investment in which is carried in Account 332, Producing Gas Wells.

§ 201.619 *Miscellaneous gas revenues.* This account shall include revenues derived from gas operations not includible in any of the foregoing accounts. This covers such items as fees and charges for changing, connecting and disconnecting service, profit on the sale of materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of gas of others (sold under rates filed by such others), management or supervision fees, and sale of steam (except where the utility furnishes steam heating service).

INSTRUCTIONS, OPERATING EXPENSE ACCOUNTS

NOTE: In §§ 201.7–1 to 201.7–6, inclusive, the numbers to the right of the dash correspond with the respective instruction numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, pp. 93–95. Cross references to accounts are made by citing the account number, e. g., Account 799, instead of the corresponding section number (§ 201.799).

§ 201.7–1 *Purpose of operating expense accounts.* The operating expense accounts (701 to 809) are designed to show in detail the cost (except depreciation, amortization and depletion, certain property losses, and taxes) of furnishing gas utility service. (See General instructions 6 and 7, §§ 201.02–6 and 201.02–7.)

§ 201.7–2 *Maintenance, cost of.* (a) The cost of maintenance, chargeable to the various operating expense accounts and to clearing accounts includes labor, materials, overhead, and other expenses incurred in maintenance work, such as:

(1) Associated costs of local plant supervision.

(2) Cost of transportation, shop and stores expense, and use of tools and implements.

(3) Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs.

(4) Inspecting and testing after repairs have been made.

(5) Inspecting, testing, and reporting on the condition of gas plant in service specifically to determine the need for repairs, minor replacements, rearrangements, and changes.

(6) Replacing minor items of plant. (See Gas plant instruction 12–C, § 201.3–12 (c).)

(7) Rearranging and changing the location of property not retired.

(8) Repairing materials for reuse.

(9) Restoring the condition of property damaged by storms, breakage, floods, fire, accident, or other casualties. (See paragraph (b) of this section.)

(10) Restoring the condition of property damaged by wear and tear, decay, or action of the elements. (See paragraph (b) of this section.)

(11) Routine work (see also paragraph (b) of this section to prevent trouble).

(12) Testing for, locating, and clearing trouble, including stopping leaks.

(13) Training employees for maintenance work.

(b) The cost of maintenance does not include the cost of replacing items of property designated as "units of property." (See Gas plant instruction 12, § 201.3–12.)

(c) Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

(d) If the book cost of any property is carried in Account 391, Gas Plant Purchased, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other gas plant in service accounts. Maintenance of property leased from others shall be treated as provided in Operating expense instruction 5 (§ 201.7–5).

§ 201.7–3 *Salvage and insurance.* (a) Salvage and insurance recovered in connection with maintenance jobs shall be

credited to the appropriate maintenance accounts.

(b) If the amount of insurance recovered is relatively large, and is received before the repairs have been completed, a disproportionate credit to operating expenses may be avoided by crediting the amount of the insurance recovered to a suspense account, to which the cost of repairs shall then be charged to the extent covered by insurance.

(c) Insurance recovered in connection with personal injuries charged to Account 799, Injuries and Damages, shall be credited to that account.

(d) Dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

(e) Recoveries under fidelity bonds shall be credited to the account charged with the loss.

§ 201.7–4 *Supervision and engineering.* The supervision and engineering includible in the operating expense accounts shall consist of the pay and expenses (company and railroad transportation, lodging, meals, taxi, and carfares and other traveling and incidental expenses) of superintendents, engineers, clerks, other employees, and consultants engaged in supervising and directing the operations and maintenance of each gas utility function; also office supplies and expenses, including the maintenance of office furniture and equipment. Wherever allocations are necessary in order to arrive at the amount to be included in any account, the method and basis of allocation shall be preserved.

§ 201.7–5 *Operating rents.* (a) Rent expense accounts are provided under each functional group of expense accounts. These accounts shall be charged with all rents paid for property used in gas operations. If the rents cover property used for more than one function, such as production and transmission, the rents shall be apportioned to the appropriate rent expense accounts on an actual, or, if necessary, an estimated basis.

(b) Rents paid for property devoted to operations for which clearing accounts are used shall be charged to the appropriate clearing account.

(c) The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

(d) Taxes paid by the lessee upon leased property shall be charged to the appropriate rent expense or clearing account.

(e) When the lessee is responsible for the replacement of gas plant leased from others, the cost of replacements shall be charged to the appropriate rent expense or clearing account, unless a reserve therefor has been provided, in which event the charge shall be to the reserve. (See Gas plant instruction 7, § 201.3–7.)

(f) When a portion of property or equipment rented from others for use in connection with gas operations is subleased, the revenue derived from such subleasing shall be credited to Account 610, Rent from Gas Property: *Provided, however,* That in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

(g) If leased property is used by more than one department, the rental on such property shall be apportioned to the appropriate rent or clearing accounts of the various departments of the utility.

(h) Property operated jointly by the utility and another or others under a definite arrangement whereby the actual segregated costs are shared between or among the parties shall be considered for the purpose of this system of accounts as a joint facility, and the accounting in connection therewith shall be handled as provided in Operating expense instruction 6 (§ 201.7–6), following.

§ 201.7–6 *Joint facility rents and expenses.* (a) A joint facility for the purpose of this system of accounts is defined as any property occupied or used jointly by the utility and another or others under a definite arrangement whereby the actual segregated costs are shared between or among the parties. Property of the utility occupied or used under a similar definite arrangement between the gas department and a coordinate department or departments shall likewise be considered as a joint facility. (See Operating revenue instruction 5, § 201.6–5.)

(b) Where the utility owns the joint facility, any amount received or transferred as reimbursement of operating or maintenance expenses shall be credited to the appropriate "joint expense—credit" or clearing account. Amounts received or transferred covering depreciation, taxes, and interest or return, shall be credited, in the case of another or others, to Account 610, Rent from Gas Property, and in the case of coordinate departments to Account 611, Interdepartmental Rents.

(c) Any amount paid by or transferred to the utility for occupancy or use of a joint facility shall be charged to the appropriate "joint expense—debit" or clearing account or accounts.

(d) In the event that joint facilities are used by either party in connection with construction work, credits for the full amount received and charges for the full amount paid, as the case may be, shall be made direct to the construction accounts affected.

(e) These instructions are not intended to cover cases of joint ownership of property where each joint owner bears the cost of operating and maintaining its own property. In such cases the cost of operation and maintenance shall be recorded in the appropriate operating expense accounts other than the "joint expense" debit or credit accounts even though one of the joint owners operates or maintains the property and bills against other owners for all or a portion of the expenses incurred.

(f) Gas supplied by the utility from its own supply to a coordinate department shall be accounted for as provided in Operating revenue instruction 5 (§ 201.6–5). If the utility desires to charge the appropriate accounts in any of its gas operations with the cost of gas used from its own supply, credit therefor shall not be made to joint expense accounts but to the appropriate duplicate charges credit account.

(g) If the arrangement regarding use of facilities does not provide for the allocation of actual segregated costs, the facilities shall not be considered as joint.

Operating Expense Accounts

PRODUCTION EXPENSES

Manufactured Gas Production

NOTE: In §§ 201.701 B A to 201.809 B A, inclusive, the numbers to the right of the decimal point (except that a dash has been substituted in each instance where a decimal point was used in the original account number and the letters preceding the original account numbers transposed to succeed the section numbers) correspond with the respective account numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective Jan. 1, 1940, pp. 101-130. Cross references to accounts are made by citing the account number, e. g., Account 702, instead of the corresponding section number (§ 201.702).

§ 201.701 B A *Operation supervision and engineering.* This account shall include the cost of supervising and directing the operation of manufactured gas production facilities. (See Operating expense instruction 4, § 201.7-4.)

NOTE: The cost of fuel analyses shall be charged to Account 131:1, Materials and Supplies—Gas.

§ 201.702 B A *Boiler and other power labor.* This account shall include the pay of employees in boiler rooms and elsewhere about the premises engaged in making steam and producing power for use in the manufacture of gas.

ITEMS

(1) Blowing flues.
(2) Cleaning boilers.
(3) Handling coal and ashes (within the boiler plant).
(4) Pulverizing coal.
(5) Testing steam meters and gauges and other instruments.

§ 201.703 B *Coal gas and producer gas labor.*

§ 201.703:1 A *Retort labor.* This account shall include the pay of employees engaged in operating retorts for the production of coal gas.

ITEMS

(1) Charging and drawing retorts.
(2) Cleaning retorts, pipes and lids.
(3) Handling coal, fuel, and ashes within works.
(4) Quenching coke.

§ 201.703:2 A *Coke oven labor.* This account shall include the pay of employees engaged in operating coke ovens for the production of coal gas.

ITEMS

(1) Charging and discharging of ovens.
(2) Cleaning pipes and lids.
(3) Firing ovens.
(4) Handling coal within works.
(5) Operating door machinery and luting doors.
(6) Quenching coke and delivering to wharf.

§ 201.703:3 A *Producer gas labor.* This account shall include the pay of employees engaged in making producer gas.

ITEMS

(1) Cleaning producers.
(2) Handling fuel and ashes within works.
(3) Operating air and gas boosters.

§ 201.704 B *Gas generating labor.*

§ 201.704:1 A *Water gas generating labor.* This account shall include the pay of employees engaged in operating water gas sets.

ITEMS

(1) Charging generators.
(2) Cleaning generators.
(3) Handling coal, coke, and ashes within works.

§ 201.704:2 A *Petroleum gas generating labor.* This account shall include the pay of employees engaged in operating equipment used for the production of gas from petroleum derivatives, such as propane, butane, or gasoline.

§ 201.704:3 A *Other gas generating labor.* This account shall include the pay of employees engaged in operating equipment used in the production of gas by any process not provided for in foregoing accounts, such as oil gas or acetylene gas.

§ 201.704:4 A *Gas reforming labor.* This account shall include the pay of employees engaged in reforming gas into gas of a different calorific value.

ITEMS

(1) Charging and cleaning generators used for reforming.
(2) Handling coal, coke, or ashes within works.
(3) Purifying refinery gas before reforming.

§ 201.705 B A *Purification labor.* This account shall include the pay of employees engaged in operating purification equipment and apparatus used for conditioning manufactured gas.

ITEMS

(1) Emptying, cleaning, and refilling purifier boxes.
(2) Emptying, cleaning, and refilling shavings scrubbers.
(3) Oiling dip sheets of purifier cover.
(4) Revivifying oxide and removing spent oxide to refuse pile.
(5) Steaming and cleaning condensers.

§ 201.707 B A *Miscellaneous production labor.* This account shall include the pay of employees engaged in operating gas works which is not chargeable to the foregoing accounts.

ITEMS

(1) Elevator men.
(2) Janitors.
(3) Messengers.
(4) Watchmen.
(5) Yard and building cleaners.

§ 201.708 B A *Boiler fuel.* (a) This account shall include the cost delivered at works of coal, oil, gas, or other fuel used in the production of steam. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

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

§ 201.709 B A *Water.* This account shall include the cost of water used in manufactured gas production processes. If water is purchased, the charge shall be at the contract price or the meter rate; if pumped by the utility, the cost of pumping and purifying shall be charged to this account.

ITEMS

(1) Employees:
(a) Filter cleaners.
(b) General labor.
(c) Pumping station operators.
(d) Water supply system operators.
(2) Supplies:
(a) Boiler compounds.
(b) Chemicals.
(c) Lubricants.
(d) Pumping supplies.
(e) Supplies (miscellaneous).
(f) Water purchased.

§ 201.710 B A *Fuel under retorts.* (a) This account shall include the cost delivered at works of fuel used under retorts in making gas. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

(b) When gas produced by the utility is used as fuel, concurrent credit shall be made to the appropriate duplicate charges credit account.

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

§ 201.711 B A *Fuel under coke ovens.* (a) This account shall include the cost of gas, other than producer gas, or other fuel used under coke ovens for making coal gas. Concurrent credits for gas made by the utility and so used shall be made to the appropriate duplicate charges credit account.

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

§ 201.712 B A *Producer gas fuel.* (a) This account shall include the cost delivered at works of fuel used in making producer gas. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

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

§ 201.713 B A *Coal carbonized in retorts.* (a) This account shall include the cost delivered at works of coal used in retorts for making coal gas.

(b) Records shall be kept to show the type, quantity, and cost of coal used.

§ 201.714 B A *Coal carbonized in coke ovens.* (a) This account shall include the cost delivered at works of coal used in coke ovens for making coal gas.

(b) Records shall be kept to show the type, quantity, and cost of coal used.

§ 201.715 B A *Water gas generator fuel.* (a) This account shall include the cost delivered at works of fuel used in water gas generators, including fuel used for reforming gas by means of water gas generator. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

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

§ 201.716 B A *Oil for water gas.* (a) This account shall include the cost delivered at works of oil used in carbureting water gas.

(b) Records shall be kept to show the type, quantity, and cost of oil used.

§ 201.717 B A *Gas enricher.* (a) This account shall include the cost delivered at works of materials used for enriching gas.

(b) Records shall be kept to show the type, quantity, and cost of materials used.

§ 201.718 B A *Liquefied petroleum gas.* (a) This account shall include the cost delivered at works of liquefied petroleum gas, such as propane, butane, or gasoline, used in making gas.

(b) Records shall be kept to show the type, quantity, and cost of liquefied petroleum gas.

§ 201.719 B A *Oil for oil gas.* (a) This account shall include the cost delivered at works of oil used in making oil gas.

(b) Records shall be kept to show the type, quantity, and cost of oil used.

§ 201.720 B A *Raw materials for other gas processes.* (a) This account shall include the cost delivered at works of raw materials and fuel used in the production of any kind of gas other than coal gas, water gas, liquefied petroleum gas, oil gas, reformed gas, or natural gas.

(b) Records shall be kept to show the type, quantity, and cost of raw materials used.

§ 201.721 B A *Purification supplies.* This account shall include the cost delivered at works of materials used in purifying and conditioning manufactured gas.

ITEMS

(1) Iron oxide.
(2) Lime.
(3) Oil for oil-fogging process.
(4) Shavings.
(5) Soda ash for liquid purifiers.
(6) Sulphuric acid.
(7) Wash oil for naphthalene scrubber.

NOTE: Do not include in this account the cost of supplies consumed solely for the purpose of refining residuals.

§ 201.722 B A *Miscellaneous works expenses.* This account shall include the cost of supplies used and expenses incurred in connection with the production of manufactured gas not includible in any other production account.

ITEMS

(1) Building service (not including rent).
(2) Communication service.
(3) Fuel for internal combustion engines.
(4) Lubricants.
(5) Packing.
(6) Stationery.
(7) Tools, hand.
(8) Waste.

Maintenance

§ 201.723 B A *Maintenance supervision and engineering.* This account shall include the cost of supervising and directing the maintenance of manufactured gas production facilities. (See Operating expense instruction 4, § 201.7–4.)

§ 201.724 B A *Maintenance of structures and improvements.* This account shall include the cost of maintenance of manufactured gas production buildings, structures, fixtures, and improvements, the book cost of which is included in Account 312, Structures and Improvements.

§ 201.725 B *Maintenance of power equipment.*

§ 201.725:1 A *Maintenance of boiler plant equipment.* This account shall include the cost of maintenance of boiler plant equipment, the book cost of which is included in Account 313, Boiler Plant Equipment.

§ 201.725:2 A *Maintenance of other power equipment.* This account shall include the cost of maintenance of other power equipment, the book cost of which is included in Account 314, Other Power Equipment.

§ 201.726 B *Maintenance of producing and generating equipment.*

§ 201.726:1 A *Maintenance of benches and retorts.* This account shall include the cost of maintenance of benches and retorts, the book cost of which is included in Account 315, Benches and Retorts.

§ 201.726:2 A *Maintenance of coke ovens.* This account shall include the cost of maintenance of coke ovens, the book cost of which is included in Account 316, Coke Ovens.

§ 201.726:3 A *Maintenance of producer gas equipment.* This account shall include the cost of maintenance of producer gas equipment, the book cost of which is included in Account 317, Producer Gas Equipment.

§ 201.726:4 A *Maintenance of water gas generating equipment.* This account shall include the cost of maintenance of water gas sets, the book cost of which is included in Account 318, Water Gas Generating Equipment.

§ 201.726:5 A *Maintenance of petroleum gas equipment.* This account shall include the cost of maintenance of petroleum gas equipment, the book cost of which is included in Account 319, Petroleum Gas Equipment.

§ 201.726:6 A *Maintenance of other gas generating equipment.* This account shall include the cost of maintenance of other gas generating equipment, the book cost of which is included in Account 320, Other Gas Generating Equipment.

§ 201.726:7 A *Maintenance of coal, coke, and ash handling equipment.* This account shall include the cost of maintenance of property, the book cost of which is included in Account 321, Coal Coke, and Ash Handling Equipment.

§ 201.727 B *Maintenance of other manufactured gas property.*

§ 201.727:1 A *Maintenance of gas reforming equipment.* This account shall include the cost of maintenance of gas reforming equipment, the book cost of which is included in Account 322, Gas Reforming Equipment.

§ 201.727:2 A *Maintenance of purification equipment.* This account shall include the cost of maintenance of manufactured gas purification equipment, the book cost of which is included in Account 323, Purification Equipment.

§ 201.727:3 A *Maintenance of other production equipment.* This account shall include the cost of maintenance of equipment the book cost of which is included in Account 325, Other Production Equipment, except such maintenance as is chargeable to Account 753:1, Maintenance of Gas Mixing Equipment, and Account 753:2, Maintenance of Production Laboratory Equipment.

§ 201.728 B A *Power from other sources.* (a) This account shall include the cost of steam, electricity, or other power purchased for use in gas generators or driving units in manufactured gas production plants.

(b) This account shall be kept so as to show separately for each company from which power or steam is purchased, the point of delivery, the quantity, the price, and the total charge.

§ 201.729 B A *Rents.* This account shall include all rents for property of others used, occupied, or operated in connection with the production of manufactured gas. (See Operating expense instruction 5, § 201.7–5.)

§ 201.730:1 B A *Residuals produced—credit.* (a) This account shall be credited and the appropriate subdivisions of Account 131:1, Materials and Supplies—Gas, debited monthly with the estimated value of residuals and other byproducts obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.

(b) If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting the appropriate subdivision of Account 131.1, Materials and Supplies—Gas, with the difference.

(c) Records shall be so kept as to show for each type of residual or other byproduct the quantity produced and the amount at which charged to Account 131:1, Materials and Supplies—Gas; the quantity sold and the price received therefor; and the quantity and value of residuals used.

§ 201.730:2 B A *Residuals operation expenses.* (a) This account shall include all operation expenses incurred in handling, preparing, refining, and marketing residuals produced in manufactured gas production processes, including uncollectible residual accounts.

(b) Divisions of this account shall be maintained for each of the principal types of expenses chargeable hereto and for each residual or byproduct carried in Account 730:1, Residuals Produced—credit.

§ 201.730:3 B A *Residuals maintenance expenses.* (a) This account shall include the cost of maintenance of residual refining equipment used in refining manufactured gas residuals or byproducts, the book cost of which is included in Account 324, Residual Refining Equipment.

(b) Divisions of this account shall be maintained for each residual or byproduct carried in Account 730:1, Residuals Produced—credit.

§ 201.731:1 B A *Joint expenses; debit.* (a) This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the production of manufactured gas. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.

(2) Charges from coordinate departments.

§ 201.731:2 B A *Joint expenses; credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the production of manufactured gas as is charged to others or to a coordinate department. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.

(2) Charges to coordinate departments.

§ 201.732 B A *Duplicate charges; credit.* This account shall include concurrent credits for charges which are made to operating expense or other accounts of the gas department for manufactured gas consumed for which there is no direct money outlay. (See Gas plant instruction 5 and Operating revenue instruction 5; §§ 201.3–5 and 201.6–5.)

Natural Gas Production

§ 201.733 B A *Operation supervision and engineering.* This account shall include the cost of supervising and directing the operation of natural gas production facilities. (See Operating expense instruction 4; § 201.7–4.)

§ 201.734 B *Operation labor.*

§ 201.734:1 A *Gas well labor.* This account shall include the pay of employees engaged in the operating of gas wells.

ITEMS

(1) Bailing.
(2) Blowing.
(3) Cleaning.
(4) Gauging.
(5) Pumping.
(6) Shutting off and turning on.

§ 201.734:2 A *Field line labor.* This account shall include the pay of employees engaged in the operation of field lines.

ITEMS

(1) Flowing or pumping drips.
(2) Fighting fires.
(3) Patrolling lines.
(4) Taking pressures.

§ 201.734:3 A *Field measuring and regulating station labor.* (a) This account shall include the pay of employees engaged in operating field measuring and regulating stations.

(b) This acount shall be subdivided as follows:

734:31 Field Compressor Station Labor.
734:32 Field Measuring and Regulation Station Labor.

ITEMS

(1) Inspecting and operating regulators.
(2) Operating, inspecting, and reading production meters, other than those for purchased gas.
(3) Operating reducing stations.

§ 201.734:4 A *Other production labor.* This account shall include the pay of employees not provided for elsewhere, whose services are used in connection with the production of natural gas.

§ 201.735 B *Operating supplies and expenses.*

§ 201.735:1 A *Gas well supplies and expenses.* This account shall include the cost of supplies used and expenses incurred in the operation of gas wells.

ITEMS

(1) Fuel.
(2) Lubricants.
(3) Power.
(4) Tools, hand.
(5) Transportation.
(6) Traveling expenses.
(7) Waste.

§ 201.735:2 A *Field line supplies and expenses.* This account shall include the cost of supplies used and expenses incurred in the operation of field lines.

ITEMS

(1) Fuel.
(2) Lubricants.
(3) Power.
(4) Tools, hand.
(5) Transportation.
(6) Traveling expenses.

§ 201.735:3 A *Field measuring and regulating station supplies and expenses.* (a) This account shall include the cost of supplies consumed and expenses incurred in the operation of field measuring and regulating stations.

(b) This account shall be subdivided as follows:

735:31 Field Compressor Station Supplies and Expenses.
735:32 Field Measuring and Regulating Station Supplies and Expenses.

ITEMS

(1) Fuel.
(2) Oil.
(3) Waste.
(4) Small tools.
(5) Attendants' supplies.
(6) Meter and regulator charts and supplies, except purchased gas.
(7) Transportation.
(8) Traveling expenses.

§ 201.735:4 A *Other supplies and expenses.* This account shall include the cost of supplies consumed and expenses incurred in the operation of field equipment not provided for elsewhere.

§ 201.736 B A *Purification supplies and expenses.* This account shall include the cost of labor and materials used and expenses incurred in purifying and conditioning natural gas.

ITEMS

(1) Emptying, cleaning, and refilling purifier boxes.
(2) Iron oxide.
(3) Liquid purification supplies.
(4) Odorizing material.
(5) Oil for oil-fogging.
(6) Revivifying oxide and removing spent oxide to refuse pile.

§ 201.737 B A *Production maps and records.* This account shall include salaries paid and expenses incurred in connection with the preparation of production maps and records, including the cost of stationery, drawing materials, etc.

§ 201.738 B A *Miscellaneous production expenses.* This account shall include the cost of supplies used and expenses incurred in connection with the production of natural gas not includible in any other production account.

ITEMS

(1) Building service (not including rent).
(2) Communication service.
(3) Stationery.
(4) Tools, hand.

§ 201.739 B A *Maintenance supervision and engineering.* This account shall include the cost of supervising and directing the maintenance of natural gas production facilities. (See Operating expense instruction 4, § 201.7–4.)

§ 201.740 B *Maintenance of structures and improvements.*

§ 201.740:1 A *Maintenance of gas well structures.* This account shall include the cost of maintenance of gas well structures, the book cost of which is included in Account 331:1, Gas Well Structures.

§ 201.740:2 A *Maintenance of field measuring and regulating station structures.* (a) This account shall include the cost of maintenance of buildings used for housing field measuring and regulating station equipment, the book cost of which is included in Account 331:2, Field Measuring and Regulating Station Structures.

(b) This account shall be subdivided as follows:

740:21 Maintenance of Compressor Station Structures.
740:22 Maintenance of Field Measuring and Regulating Station Structures.

§ 201.740:3 A *Maintenance of other production system structures.* This account shall include the cost of maintenance of all other production system structures, the book cost of which is included in Account 331:3, Other Production System Structures.

§ 201.741 B A *Maintenance of producing gas well equipment.* This account shall include the cost of maintenance of property, the book cost of which is included in Account 332:2, Producing Gas Wells—Well Equipment.

§ 201.742 B *Maintenance of field lines and equipment.*

§ 201.742:1 A *Maintenance of field lines.* This account shall include the cost of maintenance of field lines, the book cost of which is included in Account 333:1, Field Lines.

§ 201.742:2 A *Maintenance of field measuring and regulating station equipment.* (a) This account shall include the cost of maintenance of field measuring and regulating station equipment, the book cost of which is included in Account 333:2, Field Measuring and Regulating Station Equipment.

(b) This account shall be subdivided as follows:

742:21 Maintenance of Compressor Station Equipment.
742:22 Maintenance of Measuring and Regulating Station Equipment.

§ 201.743 B A *Maintenance of drilling and cleaning equipment.* This account shall include the cost of maintenance of drilling and cleaning equipment, the book cost of which is included in Account 334, Drilling and Cleaning Equipment.

§ 201.744 B A *Maintenance of other natural gas property.* This account shall include the cost of maintenance equipment, the book cost of which is included in Account 335, Purification Equipment; and Account 337, Other Production Equipment, except such maintenance of equipment included in account 337 as is chargeable to Account 753:1, Maintenance of Gas Mixing Equipment, and Account 753:2, Maintenance of Production Laboratory Equipment.

Miscellaneous

§ 201.745 B A *Gas well royalties.* (a) This account shall include royalties paid for natural gas produced by the utility from land owned by others.

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

§ 201.746 B A *Natural gas rents.* This account shall include rents includible in operating expenses for property of others used in connection with the production of natural gas other than rentals on land and land rights held for the supply of natural gas.

ITEMS

(1) Rents for right to lay and maintain field lines.
(2) Rents for measuring and regulating station sites on production system.

NOTE. See Account 510, Delay Rentals, for rentals paid on lands held for the supply of natural gas.

§ 201.747:1 B A *Residuals produced; credit.* (a) This account shall be credited and the appropriate subdivisions of Account 131:1, Materials and Supplies—Gas, debited monthly with the estimated value of residuals and other byproducts obtained in connection with the production of natural gas, whether intended for sale or for use in operations.

(b) If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting the appropriate subdivision of Account 131:1, Materials and Supplies—Gas, with the difference.

(c) Records shall be so kept as to show for each type of residual or other byproduct the quantity produced and the amount at which charged to Account 131:1, Materials and Supplies—Gas; the quantity sold and the price received therefor; and the quantity and value of residuals used.

NOTE: Do not include in this account the revenues derived from incidental gasoline or

oil sales, or royalties and permits for permission granted others for the right to remove products from natural gas. Such revenues shall be credited to accounts 616, 617, or 618, as appropriate.

§ 201.747:2 B A *Residuals operation expenses.* (a) This account shall include all operation expenses incurred in handling, preparing, refining, and marketing residuals produced in natural gas production processes, including uncollectible residual accounts.

(b) Divisions of this account shall be maintained for each of the principal types of expenses chargeable hereto and for each residual or byproduct carried in Account 747:1, Residuals Produced—Credit.

§ 201.747:3 B A *Residuals maintenance expenses.* (a) This account shall include the maintenance of residual refining equipment used in refining natural gas residuals or byproducts, the book cost of which is included in Account 336, Residual Refining Equipment.

(b) Divisions of this account shall be maintained for each residual or byproduct carried in Account 747:1, Residuals Produced—Credit.

§ 201.748:1 B A *Joint expenses; debit.* (a) This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the production of natural gas. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.

(2) Charges from coordinate departments.

§ 201.748:2 B A *Joint expenses; credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the production of natural gas as is charged to others or to a coordinate department. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.

(2) Charges to coordinate departments.

§ 201.749 B A *Duplicate charges; credits.* This account shall include concurrent credits for charges which are made to operating expense or other accounts of the gas department for natural gas consumed, for which there is no direct money outlay. (See Gas plant instruction 5 and Operating revenue instruction 5, §§ 201.3–5 and 201.6–5.)

NOTE: The records supporting this account shall be kept in such manner as to enable the natural gas company to report the offsetting debits by accounts affected.

Other Production Expenses

Operation

§ 201.750 B A *Operation of storage facilities.* This account shall include the cost of labor and materials used and expenses incurred in the operation of structures and equipment used in storing gas.

ITEMS

(1) Operating holder valves.
(2) Pressure gauge charts and supplies.
(3) Pumping inlet and outlet holder drips.
(4) Meter charts and supplies.
(5) Recording holder readings.
(6) Steam for holder cups.

§ 201.751 B A *Gas mixing expenses.* This account shall include the cost of labor and materials used and expenses incurred in connection with the operation of gas mixing equipment.

Maintenance

§ 201.752 B A *Maintenance of storage facilities.* This account shall include the cost of maintenance of structures, buildings, fixtures, and improvements, the book cost of which is included in Account 342, Structures and Improvements.

§ 201.753 B *Maintenance of other production property.*

§ 201.753:1 A *Maintenance of gas mixing equipment.* This account shall include the cost of maintenance of gas mixing equipment, the book cost of which is included in Account 325, Other Production Equipment (Manufactured Gas Plant), or Account 337, Other Production Equipment (Natural Gas Plant).

§ 201.753:2 A *Maintenance of production laboratory equipment.* This account shall include the cost of maintenance of laboratory equipment used in the production laboratories, the book cost of which is included in Account 325, Other Production Equipment (Manufactured Gas Plant), or Account 337, Other Production Equipment (Natural Gas Plant).

Miscellaneous

§ 201.754 B A *Gas purchased.* (a) This account shall include the cost at the point of delivery to the utility of all gas purchased for resale including charges for readiness to serve and amounts payable to others for their gas sold by the accounting utility under agency agreements.

(b) When the contract is a reciprocal one, i. e., when either party thereto may take gas from the other, the amount payable for the gross quantity of gas received shall be charged hereto in each accounting period and the amount receivable for the gross quantity supplied to the other party shall be included in the appropriate revenue account.

(c) The records supporting the entries to this account shall be so kept as to show for each company from which gas is obtained the type of gas, the point of delivery, the quantity thereof, the basis of the charges, and the amount payable therefor.

(d) This account shall be subdivided as follows:

754:1 Gas Purchased—Natural Gas.
754:2 Gas Purchased—Other Gas.

§ 201.755 B A *Purchased gas expenses.* (a) This account shall include expenses incurred directly in connection with the purchase of gas for resale.

(b) Each utility shall subdivide this account, as nearly as practicable, in conformity with other production expense accounts prescribed herein, showing separately operation and maintenance expenses applicable to purchased gas.

§ 201.756 B A *Other expenses.* This account shall include any production expenses which are not provided for in other production expense accounts.

§ 201.757:1 B A *Joint expenses; debit.* (a) This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the production of gas where it is impracticable to allocate such payments to the joint expenses—debit accounts under manufactured gas production or natural gas production. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account including the following:

(1) Charges from others.

(2) Charges from coordinate departments.

§ 201.757:2 B A *Joint expenses; credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the production of gas as is charged to others or to a coordinate department where it is impracticable to allocate such cost to the joint expenses—credit accounts under manufactured gas production or natural gas production. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.

(2) Charges to coordinate departments.

TRANSMISSION EXPENSES

Operation

§ 201.758 B A *Operation supervision and engineering.* This account shall include the cost of supervising and directing the operation of transmission facilities. (See Operating expense instruction 4, § 201.7–4.)

§ 201.759 B *Transmission operations.*

§ 201.759:1 A *Pumping and regulating expenses.* (a) This account shall include the cost of labor and supplies used and expenses incurred in the operation of transmission pumping, regulating, and measuring equipment, including routine inspection and testing of equipment operated.

(b) This account shall be subdivided as follows:

759:11 Pumping and Regulating Expenses—Labor.
759:111 Pumping Station—Labor.
759:112 Measuring and Regulating Station—Labor.
759:12 Measuring and Regulating Expenses—Supplies and Expenses.
759:121 Pumping Station—Supplies and Expenses.

759:122 Measuring and Regulating Station—Supplies and Expenses.

ITEMS

(1) Building service (not including rent).
(2) Communication service.
(3) Fuel.
(4) Lubricants and waste.
(5) Meter and gauge supplies.
(6) Power.
(7) Pumping by others, payment for.
(8) Records, station.
(9) Tools, hand.
(10) Transportation.
(11) Water.

§ 201.759:2 A *Operation of transmission mains.* (a) This account shall include the cost of labor and supplies used and expenses incurred in the operation of transmission mains.

(b) This account shall be subdivided as follows:

759:21 Operation of Transmission Mains—Labor.
759:22 Operation of Transmission Mains—Supplies and Expenses.

ITEMS

(1) Attending gates.
(2) Cleaning drips.
(3) Patrolling.
(4) Pressure, recording of.
(5) Traveling and incidental expenses.

§ 201.759:3 A *Transmission maps and records.* This account shall include salaries paid and expenses incurred in connection with the preparation of maps and records of the transmission plant, including the cost of stationery, drawing materials, etc.

Maintenance

§ 201.760 B A *Maintenance supervision and engineering.* This account shall include the cost of supervising and directing the maintenance of transmission facilities. (See Operating expense instruction 4, § 201.7–4.)

§ 201.761 B A *Maintenance of structures and improvements.* (a) This account shall include the cost of maintenance of transmission buildings, structures, fixtures, and improvements, the book cost of which is included in Account 352, Structures and Improvements.

(b) This account shall be subdivided as follows:

761:1 Maintenance of Pumping Station Structures.
761:2 Maintenance of Measuring and Regulating Station Structures.
761:3 Maintenance of Other Transmission System Structures.

§ 201.762 B *Maintenance of transmission lines.*

§ 201.762:1 A *Maintenance of mains.* This account shall include the cost of maintenance of transmission mains, the book cost of which is included in Account 353, Mains.

§ 201.762:2 A *Maintenance of pumping, regulating, and miscellaneous equipment.* (a) This account shall include the cost of maintenance of transmission pumping, regulating, and miscellaneous equipment, the book cost of which is included in Account 354, Pumping and Regulating Equipment.

(b) This account shall be subdivided as follows:

762:21 Maintenance of Pumping Station Equipment.
762:22 Maintenance of Measuring and Regulating Station Equipment.
762:23 Maintenance of Other Transmission System Equipment.

Miscellaneous

§ 201.763 B A *Rents.* (a) This account shall include all rents for property of others used, occupied, or operated in connection with the operation of the transmission system, including annual payments to governmental bodies and others for use of public or private lands and reservations for transmission line rights-of-way. (See Operating expense instruction 5, § 201.7–5.)

(b) This account shall be subdivided as follows:

763:1 Transmission and Compression of Gas by Others.
763:2 Rents.

§ 201.764:1 B A *Joint expenses; debit.* (a) This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the transmission of gas. (See Operating expense instruction 6, § 201.7–6.)

(b) The records, supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.
(2) Charges from coordinate departments.

§ 201.764:2 B A *Joint expenses; credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities, operated in connection with the transmission of gas as is charged to others, or to a coordinate department. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.
(2) Charges to coordinate departments.

DISTRIBUTION EXPENSES

§ 201.765 B A *Operation supervision and engineering.* This account shall include the cost of supervising and directing the operation of distribution facilities. (See Operating expense instruction 4, § 201.7–4.)

§ 201.766 B *Distribution office expenses.*

§ 201.766:1 A *Distribution maps and records.* This account shall include salaries and expenses for the preparation of distribution maps and records, including the cost of stationery, drawing materials, etc.

§ 201.766:2 A *Other distribution office expenses.* This account shall include such distribution office expense as heat, ice water, office supplies, stationery and printing, telephone tolls and rentals, janitor service, etc.

§ 201.767 B A *Operation of distribution lines.* (a) This account shall include the pay of employees and expenses incurred in the operation of distribution lines, including mains, regulating and measuring equipment.

(b) Class "A" utilities shall subdivide this account as follows:

767.1 Operation of Distribution Lines—Labor.
767.2 Operation of Distribution Lines—Supplies and Expenses.

ITEMS

(1) Cleaning, drips.
(2) Pressure, recording of.
(3) Fuel.
(4) Lubricants and waste.
(5) Meter and gauge supplies.
(6) Tools, hand.

§ 201.768 B *Operation of meters.*

§ 201.768:1 A *Removing and resetting meters.* This account shall include the cost of labor and materials used and expenses incurred in resetting, removing or changing meters or house regulators on customers' premises.

NOTE: The cost of the first setting of a meter or a house regulator shall be charged to Account 363, Meter Installations, or Account 365, House Regulator Installations, as appropriate.

§ 201.768:2 A *Miscellaneous meter expenses.* This account shall include the cost of labor and supplies, such as stationery, postage, telephone rentals and tolls, fuel, tools, and other expenses of the meter department not provided for elsewhere.

§ 201.769 B A *Services on customers' premises.* (a) This account shall include the cost of labor employed, materials used, and expenses incurred in work on customers' premises other than expenses includible in account 763.

(b) Damage to customers' equipment by employees of the utility, whether incidental to the work or the result of negligence, shall be charged to the job on which the employee was engaged at the time the damage occurred.

ITEMS

(1) Improving character of service.
(2) Inspecting and adjusting customers' equipment, including adjustments in connection with changes in B. t. u. content, pressure or other characteristics of gas supplied whether required by regulatory authorities or at the request of the customer.
(3) Inspecting premises.
(4) Installing, removing, and renewing gas lights.
(5) Investigating and adjusting customers' service complaints.
(6) Testing customers' equipment.

NOTE: Do not include in this account expenses incurred in connection with merchandising, jobbing, and contract work.

§ 201.770 B A *Operation of street lighting equipment.* This account shall include the cost of labor and materials used and expenses incurred in the operation of street lighting systems.

ITEMS

(1) Cleaning drips.
(2) Patrolling.
(3) Pressure, recording of.
(4) Testing.
(5) Transportation.

Maintenance

§ 201.771 B A *Maintenance supervision and engineering.* This account shall

include the cost of supervising and directing the maintenance of distribution facilities. (See Operating expense instruction 4, § 201.7–4.)

§ 201.772 B A *Maintenance of structures and improvements.* This account shall include the cost of maintenance of distribution buildings, structures, fixtures, and improvements, the book cost of which is included in Account 358, Structures and Improvements.

§ 201.773 B *Maintenance of distribution lines.*

§ 201.773:1 A *Maintenance of mains.* This account shall include the cost of maintenance of distribution mains, the book cost of which is included in Account 359, Mains.

§ 201.773:2 A *Maintenance of pumping and regulating equipment.* This account shall include the cost of maintenance of distribution pumping and regulating equipment, the book cost of which is included in Account 360, Pumping and Regulating Equipment.

§ 201.773:3 A *Maintenance of services.* This account shall include the cost of maintenance of services, the book cost of which is included in Account 361, Services.

§ 201.773:4 A *Maintenance of meters.* This account shall include the cost of testing and maintaining customers' meters, the book cost of which is included in Account 362, Meters.

NOTE: The initial testing of meters shall be charged to Account 362, Meters.

§ 201.773:5 A *Maintenance of house regulators.* This account shall include the cost of maintaining house regulators, the book cost of which is included in Account 364, House Regulators.

§ 201.773:6 A *Maintenance of other property on customers' premises.* This account shall include the cost of maintenance of property on customers' premises, the book cost of which is included in Account 366, Other Property on Customers' Premises.

§ 201.774 B A *Maintenance of street lighting equipment.* This account shall include the cost of maintenance of equipment, the book cost of which is included in Account 367, Street Lighting Equipment.

§ 201.775 B A *Maintenance of other distribution equipment.* This account shall include the cost of maintenance of other distribution equipment not provided for elsewhere including equipment, the book cost of which is included in Account 368, Other Distribution System Equipment.

Miscellaneous

§ 201.776 B A *Rents.* This account shall include all rents for property of others used, occupied, or operated in connection with the operation of the distribution system, including annual payments to governmental bodies and others for the use and occupancy of public or private lands and reservations for distribution line rights-of-way. (See Operating expense instruction 5, § 201.7–5.)

§ 201.777:1 B A *Joint expenses; debit.* (a) This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the distribution of gas. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.

(2) Charges from coordinate departments.

§ 201.777:2 B A *Joint expenses; credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the utility in connection with the distribution of gas as is charged to others or to another coordinate department. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.

(2) Charges to coordinate departments.

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

§ 201.779 B A *Supervision.* This account shall include the cost of supervising and directing work on customers' contracts, orders, inquiries and accounts, and in meter reading, and collecting. (See Operating expense instruction 4, § 201.7–4.)

§ 201.780 B *Customers' contracts, orders, meter reading, and collecting.*

§ 201.780:1 A *Customers' contracts and orders.* This account shall include the pay and expenses of employees engaged in work on customers' applications, contracts, orders, complaints, and inquiries, and supplies used and expenses incurred in connection therewith.

ITEMS

(1) Books.
(2) Building service (not including rent).
(3) Postage.
(4) Office supplies.
(5) Stationery.
(6) Transportation.

§ 201.780:2 A *Credit investigations and records.* This account shall include the pay and expenses of employees engaged in investigations of customers' credit and the keeping of records pertaining thereto, including supplies used and expenses incurred in connection therewith.

ITEMS

(1) Books.
(2) Building service (not including rent).
(3) Office supplies.
(4) Postage.
(5) Stationery.
(6) Transportation.

NOTE: The keeping of this account is optional. If not used, charges provided for herein shall be included in Account 780:1, Customers' Contracts and Orders.

§ 201.780:3 A *Meter reading.* This account shall include the pay and expenses of employees engaged in reading customers' meters, and supplies used and expenses incurred in connection therewith.

ITEMS

(1) Badges.
(2) Building service (not including rent).
(3) Forms for recording readings.
(4) Lamps.
(5) Meter readers, pay of.
(6) Transportation.
(7) Uniforms.

§ 201.780:4 A *Collecting.* This account shall include the pay and expenses of employees engaged in collecting customers' bills, and supplies used and expenses incurred in connection therewith; also corresponding payments to attorneys, collection agencies or others, not employees of the utility, who are engaged in making such collections.

ITEMS

(1) Building service (not including rent).
(2) Commissions, fees, or salaries of collectors.
(3) Disconnection for nonpayment of bills.
(4) Office supplies.
(5) Postage.
(6) Stationery and printing.
(7) Transportation.
(8) Cashiers, pay and expenses of.

NOTE: The keeping of this account is optional. If not used, charges provided for herein shall be included in Account 780:1, Customers' Contracts and Orders.

§ 201.781 B A *Customers' billing and accounting.* This account shall include the pay and expenses of employees engaged in customers' billing and accounting work, and supplies used and expenses incurred in connection therewith.

ITEMS

(1) Accounts, customers', keeping of.
(2) Address plates.
(3) Billing.
(4) Bookkeeping.
(5) Books.
(6) Building service (not including rent).
(7) Delivery of bills.
(8) Office supplies.
(9) Postage.
(10) Stationery and printing.
(11) Statistical work on customers' accounts.
(12) Tabulating sales.
(13) Transportation.

§ 201.782 B A *Miscellaneous expenses.* This account shall include the labor and materials and expenses, which are not chargeable to the foregoing accounts, and which were used or incurred in customers' accounting and collecting.

§ 201.783 B A *Uncollectible accounts.* This account shall be charged each month with amounts sufficient to provide for losses from uncollectible gas revenues. Concurrent credits shall be made to Account 254, Reserve for Uncollectible Accounts. Losses for uncollectible accounts shall be charged to such reserve.

§ 201.784 B A *Rents.* This account shall include rents of property of others used in connection with customers' accounting and collecting. (See Operating expense instruction 5, § 201.7–5.)

SALES PROMOTION EXPENSES

§ 201.785 B A *Supervision.* This account shall include the cost of supervising and directing the sales department

and the solicitation of new business, including assistants, stenographers, and clerical help on records. (See Operating expense instruction 4, § 201.7–4.)

NOTE: Do not include in this account sales supervision in connection with merchandise or appliance sales.

§ 201.786 B A *Salaries and commissions.* This account shall include the salaries and commissions paid salesmen for canvassing and soliciting new business, including the cost of preparing estimates for industrial and other customers.

§ 201.787 B *Demonstration, advertising, and other sales expenses.*

§ 201.787:1 A *Demonstration.* This account shall include the cost of labor and materials used and expenses incurred in demonstrating the use of appliances or other equipment.

ITEMS

(1) Employees:
(a) Demonstrators.
(b) Instructors.
(c) Typists and clerks.
(2) Expenses:
(a) Building service (not including rent).
(b) Communication service.
(c) Demonstration supplies.
(d) Electric service.
(e) Transportation.

NOTE: Do not include in this account demonstration expense incurred in connection with merchandise or appliance sales.

§ 201.787:2 A *Advertising.* This account shall include the cost of labor and materials used and expenses incurred in connection with advertising for the purpose of promoting the sales of gas.

ITEMS

(1) Advertising in newspapers, periodicals, etc.
(2) Advertising manager and assistants.
(3) Clerks.
(4) Materials and expenses in preparing:
(a) Advertisements.
(b) Booklets.
(c) Bulletins.
(d) Dodgers.
(e) Posters.
(5) Stenographers and typists.

NOTE: Do not include in this account advertising in connection with merchandise or appliance sales.

§ 201.787:3 A *Miscellaneous sales expenses.* This account shall include the cost of labor and materials used and expenses incurred in soliciting new business, except amounts chargeable to the foregoing accounts.

NOTE: Do not include in this account expenses incurred in connection with merchandise or appliance sales

§ 201.788 B A *Rents.* This account shall include rents properly includible in operating expenses for property of others used by the sales promotion organization. (See Operating expense instruction 5, § 201.7–5.)

§ 201.789 B A *Merchandising, jobbing, and contract work.* (a) This account shall include all expenses of merchandising, jobbing, and contract work; also all revenues derived from the sale of gas merchandise, and jobbing or contract work, including any profit or commissions accruing to the utility from jobbing work performed by it as agent under agency contracts, whereby it undertakes to do jobbing work for another for a stipulated profit or commission.

(b) This account shall be subdivided as follows:

789:1 Revenues from Merchandising, Jobbing, and Contract Work.
789:2 Costs and Expenses of Merchandising, Jobbing, and Contract Work.

Account 789:2 shall be further subdivided so as to show the major items of costs and expenses.

ITEMS

(1) Advertising in connection with the sale of merchandise.
(2) Cost of merchandise sold, and of materials used for jobbing work, including transportation, storage, handling.
(3) Depreciation.
(4) Direct taxes.
(5) Discounts and allowances made in settlement of bills for merchandise and jobbing work.
(6) General administrative expenses.
(7) Insurance.
(8) Inventory adjustments, merchandise.
(9) Light, heat, and power.
(10) Losses from uncollectible accounts.
(11) Miscellaneous.
(12) Pay and expenses of employees engaged in clerical work, and bookkeeping in connection with merchandising.
(13) Pay and expenses of all employees engaged in selling, delivery, installation, etc., as well as supervision of such employees.
(14) Reconditioning repossessed appliances.
(15) Rent of general quarters.
(16) Revenue from the sale of merchandise and from jobbing and contract work.
(17) Stores expense on merchandise stocks.

NOTE: The income from gas merchandising, jobbing, and contract work shall be reported in this account if State statutes or orders of the commission having jurisdiction over the utility permit such income to be reported as an operating expense item, but the amount shall be reported in Account 520, Income from Merchandising, Jobbing, and Contract Work, if the statutes or orders of the commission require such income to be reported as nonoperating income.

ADMINISTRATIVE AND GENERAL EXPENSES

§ 201.790 B A *Salaries of general officers and executives.* (a) This account shall include the compensation (salaries, bonuses, and other consideration for services) of officers and executives of the utility, properly chargeable to gas operations and not chargeable directly to a particular gas function.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

NOTE: This account shall not include directors' fees paid to officers and executives.

§ 201.791 B A *Other general office salaries.* (a) This account shall include the compensation (salaries, bonuses, and other consideration for services) of employees engaged in the general or divisional offices properly chargeable to gas operations and not chargeable directly to a particular gas function.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

§ 201.792 B *Expenses of general officers and general office employees.*

§ 201.792:1 A *Expenses of general officers.* (a) This account shall include the expenses incurred for the benefit of the utility in its gas operations by officers whose salaries are included in account 790, and which are not chargeable directly to a particular gas function.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

ITEMS

(1) Hotel.
(2) Meals, including payment therefor on account of overtime work.
(3) Membership fees and dues in trade, technical, and professional associations.
(4) Traveling expenses.

§ 201.792:2 A *Expenses of general office employees.* (a) This account shall include the expenses incurred for the benefit of the utility in its gas operations by employees whose salaries are included in Account 791, and which are not chargeable directly to a particular gas function.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

ITEMS

(1) Hotel.
(2) Meals, including payment therefor on account of overtime work.
(3) Membership fees and dues in trade, technical, and professional associations.
(4) Traveling expenses.

§ 201.793 B A *General office supplies and expenses.* (a) This account shall include the cost of office supplies and office expenses in connection with the general administrative functions of the utility's gas operations.

(b) This account may be subdivided in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

ITEMS

(1) Automobile service, including charges through Clearing Account 903, Transportation Expenses—Clearing.
(2) Books and periodicals for office use.
(3) Building service (not including rent).
(4) Communication service.
(5) Office supplies.
(6) Postage.
(7) Printing.
(8) Stationery.

NOTE: Office expenses which are clearly applicable to any group of operating expenses other than administrative and general shall not be included in this account.

§ 201.794 B A *Management and supervision fees and expenses.* (a) This account shall include amounts payable by the gas department to any corporation, firm, or individual, for general supervision and management services and expenses.

(b) Records supporting this account shall be so kept as to show (1) the basis of each fee, (2) the amount of the fee, and (3) the person to whom the fee is paid or payable.

§ 201.795 B A *Special services.* This account shall include amounts payable to any corporation, firm, or individual, other than officers and employees of the utility, for special services to the gas department if the amounts are not includ-

ible in Account 794, Management and Supervision Fees and Expenses, or Account 796, Special Legal Services, or are not chargeable directly to other gas operating expense accounts or clearing or plant accounts.

ITEMS

(1) Services:
(a) Auditing and accounting.
(b) Budget.
(c) Personnel.
(d) Publication.
(e) Rates.
(f) Secretarial.
(g) Statistical.
(h) Supervisory.
(2) Expenses:
(a) Hotel.
(b) Meals.
(c) Printing.
(d) Stationery.
(e) Traveling.

§ 201.796 B A *Special legal services.* This account shall include amounts payable to any corporation, firm, or individual, other than officers and employees of the utility, for legal services and related expenses of the gas department which are not chargeable directly to Account 797, Regulatory Commission Expenses, or to other gas operating expense accounts or to clearing or plant accounts.

NOTE: Pay and expenses of the legal staff of the utility shall not be included herein, but in such other accounts as may be appropriate.

§ 201.797 B A *Regulatory commission expenses.* (a) This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in gas operating expenses, incurred by the utility or assessed by a regulatory commission, in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the accounting utility for pay and expenses of such commission, its officers, agents, and employees.

(b) Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to Account 146, Other Deferred Debits, and amortized by charges to this account.

(c) The utility shall be prepared to report the cost of each formal case.

ITEMS

(1) Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against, petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

(2) Expenses: Engineering supplies, office expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

NOTE A: Exclude from this account and include in other appropriate operating expense accounts expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

NOTE B: Do not include in this account amounts includible in Account 302, Franchises and Consents, Account 140, Unamortized Debt Discount and Expense, or Account 151, Capital Stock Expense.

§ 201.798 B A *Insurance.* This account shall include the cost of insurance to protect the utility against losses and damages to owned or leased property used in its gas operations, except as provided in note C of this section. There shall be included in this account the premiums payable to insurance companies or amounts credited to Account 255, Insurance Reserve, for fire, storm, burglary, boiler explosion, lightning, and other insurance; and special costs incurred in procuring insurance, such as insurance inspection service, and the pay, traveling, and office expenses of officers, clerks, and other employees of an insurance department.

NOTE A: Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to Account 250.1, Reserve for Depreciation of Gas Plant or other appropriate reserve account.

NOTE B: The utility shall keep its records so as to show the amount of coverage for each class of insurance carried, the property covered, the applicable premiums, and the distribution of the costs to specific operations or functions.

NOTE C: The cost of insurance to protect the utility against losses and damages to the following classes of owned or leased property used in gas operations shall be charged as indicated:

Laboratory equipment, to Account 904, Laboratory Expenses—Clearing.

Materials and supplies and stores equipment, to Account 902, Stores Expenses—Clearing.

Transportation and garage equipment, to Account 903, Transportation Expenses—Clearing.

NOTE D: Exclude from this account insurance on officers and employees. (See account 800.1.)

§ 201.799 B A *Injuries and damages.* (a) This account shall include losses not covered by insurance on account of injuries or deaths to employees or others, which occur in connection with gas operations, and payments and expenses on account of damages to the property of others or for nonperformance of contractual obligations, whether the loss be occasioned by fire, flood, storm, or other cause. Amounts may be accrued monthly sufficient to meet the probable liability for such losses, concurrent credits being made to Account 256, Injuries and Damages Reserve, in which case losses sustained shall be charged to the reserve.

(b) This account shall also include:

Pay and expenses of officers and employees regularly engaged in or specifically assigned to work in connection with injuries to employees or others, damages to property of others, etc.

Payments to attorneys, investigators, and adjusters, court costs, etc.

Insurance premiums for protection against claims from injuries and damages, including public liability, property damages, boiler, casualty, employees' liability, etc., except as provided in note (c) hereunder.

(c) Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages, and insurance dividends or refunds, shall be credited to this account.

NOTE A: Payments to or in behalf of employees, including accident and death benefits, salaries, hospital expenses, medical supplies; also salaries, fees, and expenses of surgeons, doctors, nurses, etc., or amounts reserved for such payments; when provided for through a plan for employees' benefits, shall be charged to Account 800, Employees' Welfare Expenses and Pensions.

NOTE B: No part of the salaries of officers or employees of the law department shall be included in this account for merely incidental services in connection with injury and damage claims.

NOTE C: Losses or insurance premiums paid in connection with transportation and garage equipment shall be charged to Account 903, Transportation Expenses—Clearing.

NOTE D: Exclude from this account insurance on officers and employees and the cost of injuries and damages chargeable directly to gas plant accounts, clearing accounts, or to other appropriate accounts.

§ 201.800 B *Employees' welfare expenses and pensions.*

§ 201.800:1 A *Employees' welfare expenses.* This account shall include the expenses incurred in conducting employees' accident prevention, educational, and recreational activities; the cost of employees' relief and benefits (other than pensions, and injuries and damages chargeable to Account 799, Injuries and Damages) and the cost of life insurance for employees where the utility is not the beneficiary.

NOTE: When the utility is the beneficiary of insurance on officers or employees, the cost of such insurance shall be charged to Account 538, Miscellaneous Income Deductions, or, at the option of the utility, the cash surrender value may be included in Account 133, Other Current and Accrued Assets, in which event the excess of cost of the insurance over such cash surrender value shall be charged to Account 538, Miscellaneous Income Deductions.

§ 201.800:2 A *Pensions.* (a) This account shall include pensions paid to retired employees or to their heirs.

(b) If the utility has definitely undertaken by contract to pay pensions to employees of its gas department when retired, it shall charge to this account monthly amounts to provide for the payment of such pensions or for the purchase of annuities for that purpose. The amounts so charged shall be credited concurrently to Account 257, Employees' Provident Reserve.

(c) The utility shall maintain a complete record of the computations of the accruals of its pension liabilities.

(d) The utility shall inform the Commission of the details of its pension plan, giving a full statement of the facts thereof, together with the actuarial formula, if any, under which it has created or proposes to create its pension fund, and shall furnish a copy of the declaration of trust or resolution under which the pension plan is established.

§ 201.801 B A *Miscellaneous general expenses.* This account shall include such items of expense applicable to the gas department as the cost of publishing and distributing annual reports to stockholders; advertising notice of stockholders' meetings; dividend and other cor-

porate and financial notices of a general character; association dues; contributions for conventions and meetings of the industry; cost of research and experimental work conducted for the benefit of the gas department or the industry or for the improvement of gas service (except for such amounts as may be properly chargeable to other accounts); fees of transfer agents, registrars of stock, and fiscal agents; directors' fees; and any other miscellaneous expenses connected with the general management and not otherwise provided for.

§ 201.802 B *Maintenance of general property.*

§ 201.802:1 A *Maintenance of structures and improvements.* This account shall include the cost of maintenance of general buildings, the book cost of which is included in Account 371, Structures and Improvements.

§ 201.802:2 A *Maintenance of office furniture and equipment.* This account shall include the cost of maintenance of office furniture and equipment used by the administrative divisions of the gas department.

NOTE: The cost of maintenance of office furniture and equipment used elsewhere than in the administrative departments shall be charged to the appropriate maintenance, construction, or clearing accounts.

§ 201.802:3 A *Maintenance of communication equipment.* This account shall include the cost of maintenance of communication equipment for general use in connection with the utility's operations, the book cost of which is included in Account 378, Communication Equipment.

NOTE: If a clearing account is kept for distribution of communication expenses to the appropriate accounts, the maintenance of communication equipment may be charged thereto and the use of this account discontinued.

§ 201.802:4 A *Maintenance of miscellaneous property.* This account shall include the cost of maintenance of miscellaneous property not provided for elsewhere, including miscellaneous general equipment, the book cost of which is included in Account 379, Miscellaneous Equipment, and tools and work equipment included in Account 377, Tools and Work Equipment.

NOTE: Maintenance of tools and work equipment may be charged to clearing account 906.

§ 201.803 B A *Rents.* This account shall include rent properly includible in gas operating expense covering the property of others used, occupied, or operated in connection with the general and administrative functions of the utility. (See Operating expense instruction 5, § 201.7–5.)

§ 201.804 B A *Commissions paid under agency sales contracts.* This account shall include the amount paid or payable by the utility to agents as commission for distributing gas over the agent's distribution lines and selling the same, and for all services performed in connection therewith.

NOTE A: This account shall be used only when sales are made under rate schedules filed by the accounting utility and when the gross receipts therefrom are credited to it; otherwise the transactions shall be accounted for as sales of gas.

NOTE B: Records pertaining to each agency sales contract shall be so kept by the utility as to show full particulars as to amounts paid for each kind of service rendered thereunder.

§ 201.805 B A *Franchise requirements.* (a) This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies, and services, furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, *Provided, however,* That the utility may charge to this account at regular tariff rates, instead of cost, gas furnished without charge under provisions of franchises.

(b) When no direct outlay is involved, concurrent credits for such charges shall be to Account 806, Duplicate Miscellaneous Charges—Credit.

(c) This account shall be subdivided as follows:

805:1 Cash Outlays.
805:2 Gas Supplied without Charge—Debit.
805:3 Other Items Furnished without Charge—Debit.

NOTE A: Taxes shall not be charged to this account. (See Account 507, Taxes.)

NOTE B: The cost of plant, supplies, etc., given as an initial consideration for a franchise running for more than one year, shall be charged to Account 302, Franchises and Consents.

§ 201.806 B A *Duplicate miscellaneous charges; credit.* (a) This account shall include concurrent credits for charges which are made to Account 805, Franchise Requirements, to the extent that such charges do not represent direct outlays. It shall also include concurrent credits for duplicate charges made to operating expense or other accounts of the gas department which are not provided for elsewhere.

(b) This account shall be kept in such manner as to disclose the nature and amount of each item included in this section.

§ 201.807 B A *Administrative and general expenses transferred; credit.* (a) This account shall be credited with amounts recorded in administrative and general expenses which are properly includible in construction costs.

(b) The records supporting this account shall be so kept as to show the bases of determining the amounts which are transferred to construction. (See also Gas plant instruction 6, § 201.3–6.)

§ 201.808 B A *Joint expenses; debit.* (a) This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with administrative and general functions of the utility. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

(1) Charges from others.
(2) Charges from coordinate departments.

§ 201.809 B A *Joint expenses; credit.* (a) This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with its administrative and general functions as is chargeable to others, or to a coordinate department. (See Operating expense instruction 6, § 201.7–6.)

(b) The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others.
(2) Charges to coordinate departments.

CLEARING ACCOUNTS

NOTE: In §§ 201.901 to 201.906, inclusive, the numbers to the right of the decimal point correspond with the respective account numbers in Uniform system of accounts prescribed for natural gas companies, Federal Power Commission, effective January 1, 1940, pp. 132–135. Cross references to accounts are made by citing the account number, e. g., Account 902, instead of the corresponding section number (§ 201.902).

§ 201.901 *Charges by associated companies; clearing.* (a) This account shall include all charges made by associated companies against the utility for any purposes whatsoever, except interest, including charges for management, supervision, purchasing, construction, accounting, engineering, legal, financial, rent, advertising, materials and supplies, equipment and other property, commissions, taxes, and other items.

(b) This account shall be cleared by charging the appropriate accounts with the expenditures applicable thereto.

(c) The records supporting this account shall be so kept as to show the nature of each charge together with the account or accounts to which each charge is cleared.

NOTE: The mandatory use of this account may be suspended upon notice of such suspension filed with the Commission, provided the natural gas company keeps a separate account for transactions with each associated company and that all charges by associated companies be recorded in the associated company accounts, and provided further that such accounts be maintained so as to permit ready analysis.

§ 201.902 *Stores expenses; clearing.* (a) This account shall include the cost of supervision, labor, and expenses incurred in the operation and maintenance of the gas general storerooms, including storage handling and distribution of materials and supplies.

(b) Cash discounts shall be credited hereto when such discounts cannot be applied to the cost of particular materials.

(c) This account shall be cleared by adding to the cost of materials and supplies a suitable loading charge which will distribute the expense equitably over stores issued.

ITEMS

(1) Adjustments of inventories of materials and supplies.

(2) Books, stationery, and office supplies.
(3) Building service.
(4) Collecting and handling scrap materials in stores.
(5) Communication service.
(6) Discount on materials when not assignable to specific items.
(7) Freight, express, etc., when not assignable to specific items.
(8) Heat, light, and power for storerooms and stores offices.
(9) Injuries and damages.
(10) Inspecting and testing materials and supplies, when not assignable to specific items.
(11) Insurance on materials and supplies and on stores equipment.
(12) Losses due to breakage, leakage, evaporation, fire, and other causes. Credit any amounts received from insurance, transportation companies, or others in compensation of such losses.
(13) Maintenance of stores equipment.
(14) Pay and expenses of storekeepers, clerks, and others employed in storerooms or in store offices.
(15) Postage, stationery, and printing.
(16) Rents.
(17) Taxes, direct.
(18) Transporting materials into storehouse, when not assignable to specific items.

NOTE A: Large differences in the accounts disclosed by inventories, which can readily be assigned to important classes of materials, shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in Account 902, Stores Expenses—Clearing.

NOTE B: Transportation charges on materials recovered from retirements of gas plant shall be charged to the account to which the cost of removal was charged.

§ 201.903 *Transportation expenses; clearing.* (a) This account shall include the cost of supervision, labor, and expenses incurred in the operation and maintenance of the gas general transportation equipment of the utility including direct taxes and depreciation on transportation equipment.

(b) This account shall be cleared by apportionment to operating expenses, gas plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Communication service.
(4) Depreciation of transportation equipment.
(5) Feed and bedding for horses and mules.
(6) Fuel and lubricants for vehicles (including sales and excise taxes thereon).
(7) Freight, express, drayage, etc., on fuel, repair parts, etc.
(8) Heat, light, and power for garage and garage office.
(9) Injuries and damages.
(10) Insurance on garage equipment and transportation equipment, including public liability and property damage.
(11) License fees for vehicles and drivers.
(12) Office supplies, postage, etc.
(13) Operation of garages and stables.
(14) Pay and expenses of drivers, mechanics, etc.
(15) Rent of garage buildings and grounds.
(16) Maintenance of transportation and garage equipment.
(17) Rent of vehicles and other rents.
(18) Taxes, direct.
(19) Tires, tubes, and chains.

§ 201.904 *Laboratory expenses; clearing.* (a) This account shall include the cost of supervision, pay of chemists, engineers, assistants, and other employees and expenses of such employees, engaged in the operation and maintenance of gas general laboratories.

(b) This account shall be cleared by apportioning on an equitable basis the total of the expenses to operating expenses, gas plant, and other accounts benefited. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Charts.
(4) Chemists and their assistants, pay and expenses of.
(5) Communication service.
(6) Heat, light, and power.
(7) Injuries and damages.
(8) Maintenance of equipment.
(9) Periodicals.
(10) Rents.
(11) Taxes, direct.
(12) Testing supplies.

NOTE: The mandatory use of this account may be suspended upon order of the Commission if equivalent information is readily obtainable from other records of the utility.

§ 201.905 *Shop expenses; clearing.* (a) This account shall include the cost of supervision, labor, and expenses incurred in the operation and maintenance of gas general shops of the utility.

(b) This account shall be cleared by apportionment to operating expense, gas plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Collecting and handling scrap materials.
(4) Communication service.
(5) Heat, light, and power.
(6) Injuries and damages.
(7) Repairs to shop equipment.
(8) Rents.
(9) Pay and expenses of superintendents, machinists, and other employees in shops.
(10) Taxes, direct.

§ 201.906 *Tools and work equipment expenses; clearing.* (a) This account shall include the cost of supervision, labor, and expenses incurred in the operation and maintenance of the general tools and work equipment of the utility including direct taxes and depreciation on such equipment.

(b) This account shall be cleared by apportionment to operating expense, gas plant, or other appropriate accounts on a basis which will distribute the expenses equitably according to the use of the equipment. Credits to this account shall be made in such detail as to permit ready analysis thereof.

ITEMS

(1) Books and stationery.
(2) Building service.
(3) Communication service.
(4) Depreciation of tools and work equipment.
(5) Fuel and lubricants for equipment, including sales and excise taxes thereon.
(6) Injuries to persons and damages to property of others in the operation of tools and work equipment.
(7) Insurance.
(8) License fees for equipment.
(9) Pay and expenses of operators, mechanics, etc.
(10) Rent of tools and work equipment.
(11) Repairs to tools and work equipment.
(12) Shop expenses.
(13) Taxes, direct.

NOTE: The use of this account is optional If not used, maintenance of the equipment, to the extent applicable to operating expenses, shall be charged to account 802:4.

PART 204—APPLICATION OF UNIFORM SYSTEM OF ACCOUNTS TO CLASS C AND CLASS D NATURAL GAS COMPANIES

Sec.
204.1 Application of uniform system of accounts to Class C and Class D natural gas companies.
204.2 Balance sheet accounts; for natural gas companies.
204.3 Gas plant accounts; for natural gas companies.
204.4 Earned surplus account; for natural gas companies.
204.5 Income accounts; for natural gas companies.
204.6 Operating revenue accounts; for natural gas companies.
204.7 Operating expense accounts; for natural gas companies.
204.8 Clearing accounts; for natural gas companies.

AUTHORITY: §§ 204.1 to 204.8, inclusive, issued under secs. 8 (a), 10 (a), 16, 52 Stat. 821, 825, 826, 830; 15 U. S. C., 717g (a), 717i (a), 717o.

§ 204.1 *Application of uniform system of accounts to Class C and Class D natural gas companies.* This part is designed to show the accounts required to be kept by Class C and Class D natural gas companies. The accounts required to be kept by each class of natural gas companies are shown in comparative form in order clearly to designate and identify the accounts required to be kept by the Class C and Class D natural gas companies. Class C and Class D natural gas companies are defined as follows:

Class C. Natural gas companies having annual gas operating revenues of more than $100,000 but not more than $250,000.

Class D. Natural gas companies having annual gas operating revenues of more than $25,000 but not more than $100,000.

Each Class C natural gas company shall keep all of the accounts listed in this part, insofar as applicable, that contain, as a part of the title, the four digit numbers beginning with the figure 1 (for example, Account 1100, Gas Plant).

Each Class D natural gas company shall keep all of the accounts listed in this part, insofar as applicable, that contain, as a part of the title, the four digit numbers beginning with the figure 2 (for example, Account 2100, Gas Plant).

Any Class C or Class D natural gas company may at its option keep the accounts prescribed for Class A or Class B natural gas companies, or any Class D natural gas company may keep the accounts prescribed for Class C natural gas companies.

The Uniform System of Accounts is applicable in principle to all natural gas

companies subject to the Commission's accounting requirements under the Natural Gas Act. Many of the accounts that are required to be kept by Class A and Class B natural gas companies, however, have been grouped or combined in order that the accounting system prescribed for the smaller Class C and Class D natural gas companies may conform more nearly to the nature and volume of their transactions. The definitions and all instructions contained in the main body of the Uniform System of Accounts apply in principle to Class C and Class D natural gas companies. References in said definitions and instructions to accounts which have been combined in this part shall apply in principle to the combined account. The texts and lists of items appearing under the accounts prescribed for Class A and Class B natural gas companies shall apply in detail to the accounts prescribed herein for Class C and Class D natural gas companies.

§ 204.2 *Balance sheet accounts; for natural gas companies.*

D Nos.	C Nos.	Accounts for class C and class D natural gas companies	A and B Nos.	Accounts for class A and class B natural gas companies
		ASSETS AND OTHER DEBITS		ASSETS AND OTHER DEBITS
		I. UTILITY PLANT		I. UTILITY PLANT
2100.	1100.	Gas plant	100.	Gas plant.
			100.1	Gas plant in service.
2100.1	1100.1	Gas plant in service, leased to others, and held for future use.	100.2	Gas plant leased to others.
			100.4	Gas plant held for future use.
2100.3	1100.3	Construction work in progress.	100.3	Construction work in progress.
2100.5	1100.5	Gas plant acquisition adjustments.	100.5	Gas plant acquisition adjustments.
2100.6	1100.6	Gas plant in process of reclassification.	100.6	Gas plant in process of reclassification.
2107.	1107.	Gas plant adjustments	107.	Gas plant adjustments.
2108.	1108.	Other utility plant	108.	Other utility plant.
		II. INVESTMENT AND FUND ACCOUNTS		II. INVESTMENT AND FUND ACCOUNTS
2110.	1110.	Other physical property	110.	Other physical property.
			111.	Investments in associated companies.
			111.1	Investments in securities of associated companies.
2114.	1114.	Miscellaneous investments and special funds.	111.2	Advances to associated companies.
			112.	Other investments.
			113.	Sinking funds.
			114.	Miscellaneous special funds.
			114.1	Depreciation fund.
			114.2	Other special funds.
		III. CURRENT AND ACCRUED ASSETS		III. CURRENT AND ACCRUED ASSETS
			120.	Cash.
			121.	Special deposits.
			121.1	Interest special deposits.
2120.	1120.	Cash and working funds	121.2	Dividend special deposits.
			121.3	Miscellaneous special deposits.
			122.	Working funds.
2123.	1123.	Temporary cash investments	123.	Temporary cash investments
2124.	1124.	Notes and accounts receivable.	124.	Notes receivable.
			125.	Accounts receivable.
			125.1	Accounts receivable—customers.
			125.2	Other accounts receivable.
2126.	1126.	Receivables from associated companies.	126.	Receivables from associated companies.
			126.1	Notes receivable from associated companies.
			126.2	Accounts receivable from associated companies.
2131.	1131.	Materials and supplies	131.	Materials and supplies.
			131.1	Materials and supplies—gas.
			131.2	Materials and supplies—other.
2132.	1132.	Prepayments	132.	Prepayments.
			127.	Subscriptions to capital stock.
			128.	Interest and dividends receivable.
2133.	1133.	Miscellaneous current and accrued assets.	129.	Rents receivable.
			130.	Accrued utility revenues.
			133.	Other current and accrued assets.
		IV. DEFERRED DEBITS		IV. DEFERRED DEBITS
2140.	1140.	Unamortized debt discount and expense.	140.	Unamortized debt discount and expense.
2141.	1141.	Extraordinary property losses.	141.	Extraordinary property losses.
			142.1	Preliminary natural gas survey and investigation charges.
			142.2	Other preliminary survey and investigation charges.
2146.	1146.	Miscellaneous deferred debits.	143.	Clearing accounts.
			144.	Retirement work in progress.
			145.	Other work in progress.
			146.	Other deferred debits.
		ASSETS AND OTHER DEBITS—Continued		ASSETS AND OTHER DEBITS—Continued
		V. CAPITAL STOCK DISCOUNT AND EXPENSE		V. CAPITAL STOCK DISCOUNT AND EXPENSE
2150.	1150.	Discount on capital stock	150.	Discount on capital stock.
2151.	1151.	Capital stock expense	151.	Capital stock expense.
		VI. REACQUIRED SECURITIES		VI. REACQUIRED SECURITIES
2152.	1152.	Reacquired securities	152.	Reacquired capital stock.
			153.	Reacquired long-term debt.
		LIABILITIES AND OTHER CREDITS		LIABILITIES AND OTHER CREDITS
		VII. CAPITAL STOCK		VII. CAPITAL STOCK
2200.	1200.	Common capital stock	200.	Common capital stock.
2201.	1201.	Preferred capital stock	201.	Preferred capital stock.
2202.	1202.	Stock liability for conversion	202.	Stock liability for conversion.
2203.	1203.	Premiums and assessments on capital stock.	203.	Premiums and assessments on capital stock.
2204.	1204.	Capital stock subscribed	204.	Capital stock subscribed.
2205.	1205.	Installments received on capital stock.	205.	Installments received on capital stock.
		VIII. LONG-TERM DEBT		VIII. LONG-TERM DEBT
2210.	1210.	Bonds	210.	Bonds.
2211.	1211.	Receivers' certificates	211.	Receivers' certificates.
2212.	1212.	Advances from associated companies.	212.	Advances from associated companies.
			212.1	Advances on notes.
			212.2	Advances on open accounts.
2213.	1213.	Miscellaneous long-term debt.	213.	Miscellaneous long-term debt.
		IX. CURRENT AND ACCRUED LIABILITIES		IX. CURRENT AND ACCRUED LIABILITIES
			220.	Notes payable.
2220.	1220.	Notes and accounts payable	222.	Accounts payable.
2221.	1221.	Notes receivable discounted	221.	Notes receivable discounted.
2223.	1223.	Payables to associated companies.	223.	Payables to associated companies.
			223.1	Notes payable to associated companies.
			223.2	Accounts payable to associated companies.
2224.	1224.	Dividends declared	224.	Dividends declared.
2225.	1225.	Matured long-term debt	225.	Matured long-term debt.
2226.	1226.	Matured interest	226.	Matured interest.
2227.	1227.	Customers' deposits	227.	Customers' deposits.
2228.	1228.	Taxes accrued	228.	Taxes accrued.
2229.	1229.	Interest accrued	229.	Interest accrued.
			229.1	Interest accrued on long-term debt.
			229.2	Interest accrued on other liabilities.
2230.	1230.	Other current and accrued liabilities.	230.	Other current and accrued liabilities.
		X. DEFERRED CREDITS		X. DEFERRED CREDITS
2240.	1240.	Unamortized premium on debt.	240.	Unamortized premium on debt.
2241.	1241.	Customer's advances for construction.	241.	Customers' advances for construction.
2242.	1242.	Other deferred credits	242.	Other deferred credits.
		XI. RESERVES		XI. RESERVES
			250.1	Reserve for depreciation of gas plant.
			250.11	Reserve for depreciation of gas plant in service.
2250.	1250.	Reserve for depreciation and amortization of gas plant.	250.12	Reserve for depreciation of gas plant leased to others.
			250.1	250.13 Reserve for depreciation of gas plant held for future use.

D Nos.	C Nos.	Accounts for class C and class D natural gas companies	A and B Nos.	Accounts for class A and class B natural gas companies
		LIABILITIES AND OTHER CREDITS—Continued		LIABILITIES AND OTHER CREDITS—Continued
		XI. RESERVES—continued		XI. RESERVES—continued
			250.2	Reserve for amortization and depletion of producing natural gas land and land rights.
				250.21 Reserve for amortization and depletion of producing natural gas land and land rights—gas plant in service.
2250.	1250.	Reserve for depreciation and amortization of gas plant—Continued.		
				250.22 Reserve for amortization and depletion of producing natural gas land and land rights—gas plant leased to others.
			250.3	Reserve for abandoned leases.
2251.	1151.	Reserve for amortization of other limited-term gas investments.	251.	Reserve for amortization of other limited-term gas investments.
				251.1 Reserve for amortization of other limited-term gas investments—gas plant in service.
				251.2 Reserve for amortization of other limited-term gas investments—gas plant leased to others.
				251.3 Reserve for amortization of other limited-term gas investments—gas plant held for future use.
2252.	1252.	Reserve for amortization of gas plant acquisition adjustments.	252.	Reserve for amortization of gas plant acquisition adjustments.
2253.	1253.	Reserve for depreciation and amortization of other property.	253.	Reserve for depreciation and amortization of other property.
2254.	1254.	Reserve for uncollectible accounts.	254.	Reserve for uncollectible accounts.
				254.1 Utility customers.
				254.2 Merchandising, jobbing, and contract work.
				254.3 Associated companies.
				254.4 Officers and employees.
				254.5 Other.
			255.	Insurance reserve.
			256.	Injuries and damages reserve.
2258.	1258.	Miscellaneous reserves	257.	Employees' provident reserve.
			258.	Other reserves.
		XII. CONTRIBUTIONS IN AID OF CONSTRUCTION		XII. CONTRIBUTIONS IN AID OF CONSTRUCTION
2265.	1265.	Contributions in aid of construction.	265.	Contributions in aid of construction.
		XIII. SURPLUS		XIII. SURPLUS
2270.	1270.	Capital surplus	270.	Capital surplus.
2271.	1271.	Earned surplus	271.	Earned surplus.

§ 204.3 *Gas plant accounts; for natural gas companies.*

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class A and class B natural gas companies
I. INTANGIBLE PLANT	I. INTANGIBLE PLANT	I. INTANGIBLE PLANT
2301. Intangible plant	1301. Organization 1302. Franchises and consents 1363. Miscellaneous intangible plant	301. Organization. 302. Franchises and consents. 303. Miscellaneous intangible plant.
II. PRODUCTION PLANT	II. PRODUCTION PLANT	II. PRODUCTION PLANT
A. MANUFACTURED GAS PRODUCTION PLANT	A. MANUFACTURED GAS PRODUCTION PLANT	A. MANUFACTURED GAS PRODUCTION PLANT
2311. Land and land rights	1311. Land and land rights	311. Land and land rights. 311.1 Land. 311.2 Land rights.
2312. Structures and improvements	1312. Structures and improvements	312. Structures and improvements.
2313. Boiler plant and other power equipment	1313. Boiler plant equipment 1314. Other power equipment	313. Boiler plant equipment. 314. Other power equipment.
2315. Benches and retorts	1315. Benches and retorts	315. Benches and retorts.
2316. Coke ovens	1316. Coke ovens	316. Coke ovens.
2317. Producer gas equipment	1317. Producer gas equipment	317. Producer gas equipment.
2320. Other gas generating equipment	1318. Water gas generating equipment 1319. Petroleum gas equipment 1320. Other gas generating equipment	318. Water gas generating equipment. 319. Petroleum gas equipment. 320. Other gas generating equipment.
2321. Coal, coke, and ash handling equipment	1321. Coal, coke, and ash handling equipment	321. Coal, coke, and ash handling equipment.
2322. Gas reforming equipment	1322. Gas reforming equipment	322. Gas reforming equipment.
2323. Purification equipment	1323. Purification equipment	323. Purification equipment.
2325. Other production equipment	1324. Residual refining equipment 1325. Other production equipment	324. Residual refining equipment. 325. Other production equipment.
B. NATURAL GAS PRODUCTION PLANT	B. NATURAL GAS PRODUCTION PLANT	B. NATURAL GAS PRODUCTION PLANT
2330.1 Natural gas producing lands, leaseholds, and rights	1330.1 Natural gas producing lands and leaseholds	330.1 Natural gas producing lands. 330.2 Natural gas producing leaseholds.
	1330.2 Natural gas rights and rights-of-way	330.3 Natural gas rights. 330.4 Rights-of-way.
2330.5 Other land and land rights	1330.5 Other land and land rights	330.5 Other land and land rights.
		331.1 Gas well structures.
		331.2 Field measuring and regulating station structures.
		331.21 Field compressor station structures.
		331.22 Field measuring and regulating station structures.
2331. Production system structures	1331. Production system structures	331.3 Other production system structures.
2332. Producing gas wells	1332. Producing gas wells	332.1 Producing gas wells—well construction. 332.2 Producing gas wells—well equipment.
	1333.1 Field lines	333.1 Field lines.
2333. Field lines and equipment	1333.2 Field measuring and regulating station equipment.	333.2 Field measuring and regulating station equipment.
		333.21 Field compressor station equipment.
		333.22 Field measuring and regulating station equipment.
	1334 Drilling and cleaning equipment	334. Drilling and cleaning equipment.
2335. Purification equipment	1335. Purification equipment	335. Purification equipment.
	1336. Residual refining equipment	336. Residual refining equipment.
2337. Other production equipment	1337. Other production equipment	337. Other production equipment.
		337.1 Other production equipment—mixing equipment.
		337.2 Other production equipment—production laboratory equipment.
		337.3 Other production equipment—miscellaneous.

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class A and class B natural gas companies
III. STORAGE PLANT	III. STORAGE PLANT	III. STORAGE PLANT
2341. Land and land rights	1341. Land and land rights	341. Land and land rights.
2342. Structures and improvements	1342. Structures and improvements	342. Structures and improvements.
IV. TRANSMISSION PLANT	IV. TRANSMISSION PLANT	IV. TRANSMISSION PLANT
2351. Land and land rights	1351. Land and land rights	351. Land and land rights. 351.1 Land. 351.2 Land rights.
2352. Structures and improvements	1352. Structures and improvements	352. Structures and improvements. 352.1 Pumping station structures. 352.2 Measuring and regulating station structures.
2353. Mains	1353. Mains	353. Mains.
2354. Pumping and regulating equipment	1354. Pumping and regulating equipment	354. Pumping and regulating equipment. 354.1 Pumping station equipment. 354.2 Measuring and regulating station equipment.
V. DISTRIBUTION PLANT	V. DISTRIBUTION PLANT	V. DISTRIBUTION PLANT
2357. Land and land rights	1357. Land and land rights	357. Land and land rights. 357.1 Land. 357.2 Land rights.
2358. Structures and improvements	1358. Structures and improvements	358. Structures and improvements.
2359. Mains	1359. Mains	359. Mains.
2360. Pumping and regulating equipment	1360. Pumping and regulating equipment	360. Pumping and regulating equipment.
2361. Services	1361. Services	361. Services.
2362. Meters and regulators	1362. Meters and regulators	362. Meters. 363. Meter installations.
		364. House regulators. 365. House regulator installations.
2366. Other property on customers' premises	1366. Other property on customers' premises	366. Other property on customers' premises.
2367. Street-lighting equipment	1367. Street-lighting equipment	367. Street-lighting equipment.
2368. Other distribution equipment	1368. Other distribution equipment	368. Other distribution system equipment.
VI. GENERAL PLANT	VI. GENERAL PLANT	VI. GENERAL PLANT
2370. Land and land rights	1370. Land and land rights	370. Land and land rights.
2371. Structures and improvements	1371. Structures and improvements	371. Structures and improvements.
2372. Office furniture and equipment	1372. Office furniture and equipment	372. Office furniture and equipment.
	1373. Transportation equipment	373. Transportation equipment.
	1374. Stores equipment	374. Stores equipment.
	1375. Shop equipment	375. Shop equipment.
2373. General plant equipment	1376. Laboratory equipment	376. Laboratory equipment.
	1377. Tools and work equipment	377. Tools and work equipment.
	1378. Communication equipment	378. Communication equipment.
	1379. Miscellaneous equipment	379. Miscellaneous equipment.
2390. Other tangible property	1390. Other tangible property	390. Other tangible property.
2391. Gas plant purchased	1391. Gas plant purchased	391. Gas plant purchased.
2392. Gas plant sold	1392. Gas plant sold	392. Gas plant sold.

§ 204.4 *Earned surplus account; for natural gas companies.*

D Nos.	C Nos.	A and B Nos.	Accounts for all natural gas companies	D Nos.	C Nos.	A and B Nos.	Accounts for all natural gas companies
			CREDITS				DEBITS
2271.	1271.	271.	Earned surplus (at beginning of period).	2410.	1410.	410.	Debit balance transferred from income account.
2400.	1400.	400.	Credit balance transferred from income account.	2411.	1411.	411.	Dividend appropriations—preferred stock.
2401.	1401.	401.	Miscellaneous credits to surplus.	2412.	1412.	412.	Dividend appropriations—common stock.
			Total credits.	2413.	1413.	413.	Miscellaneous reservations of surplus.
				2414.	1414.	414.	Miscellaneous debits to surplus.
							Total debits.
				2271.	1271.	271.	Earned surplus (at end of period).

§ 204.5 *Income accounts; for natural gas companies.*

D Nos.	C Nos.	Accounts for class C and class D natural-gas companies	A and B Nos.	Accounts for class A and class B natural-gas companies	D Nos.	C Nos.	Accounts for class C and class D natural-gas companies	A and B Nos.	Accounts for class A and class B natural-gas companies
		I. UTILITY INCOME		I. UTILITY INCOME			I. UTILITY INCOME—con.		I. UTILITY INCOME—con.
		Gas operating income:		Gas operating income:	2509.	1509.	Other utility operating income.	509.	Other utility operating income.
2501.	1501.	Operating revenues	501.	Operating revenues.			Utility income.		Utility income
		Operating revenue deductions:		Operating revenue deductions:			II. EXPLORATION AND DEVELOPMENT COSTS		II. EXPLORATION AND DEVELOPMENT COSTS
2502.	1502.	Operating expenses	502.	Operating expenses.					
2503.1	1503.1	Depreciation	503.1	Depreciation.					
2503.2	1503.2	Amortization and depletion of producing natural gas land and land rights.	503.2	Amortization and depletion of producing natural gas land and land rights.	2510.	1510.	Delay rentals	510.	Delay rentals.
						1511.	Nonproductive well drilling	511.	Nonproductive well drilling.
					2513.	1512.	Abandoned leases	512.	Abandoned leases.
2504.	1504.	Amortization of other limited-term gas investments.	504.	Amortization of other limited-term gas investments.		1513.	Other exploration costs	513.	Other exploration costs.
							Total exploration and development costs.		Total exploration and development costs.
2505.	1505.	Amortization of gas plant acquisition adjustments.	505.	Amortization of gas plant acquisition adjustments.			Net utility income.		Net utility income.
2506.	1506.	Property losses chargeable to operations.	506.	Property losses chargeable to operations.			III. OTHER INCOME		III. OTHER INCOME
2507.	1507.	Taxes	507.	Taxes.	2520.	1520.	Income from merchandising, jobbing, and contract work.	520.	Income from merchandising, jobbing, and contract work.
		Total operating revenue deductions.		Total operating revenue deductions.	2520.1	1520.1	Revenues from merchandising, jobbing, and contract work.	520.1	Revenues from merchandising, jobbing, and contract work.
		Net operating revenues.		Net operating revenues.	2520.2	1520.2	Costs and expenses of merchandising, jobbing, and contract work.	520.2	Costs and expenses of merchandising, jobbing, and contract work.
2508.	1508.	Income from gas plant leased to others.	508.	Income from gas plant leased to others.	2521.	1521.	Income from nonutility operations.	521.	Income from nonutility operations.
2508.1	1508.1	Revenues from plant leased to others.	508.1	Revenues from plant leased to others.	2522.	1522.	Revenues from lease of other physical property.	522.	Revenues from lease of other physical property.
2508.2	1508.2	Expenses of plant leased to others.	508.2	Expenses of plant leased to others.	2523.	1523.	Dividend revenues	523.	Dividend revenues.
		Income from gas plant leased to others.		Income from gas plant leased to others.					
		Gas operating income.		Gas operating income.					

D Nos.	C Nos.	Accounts for class C and class D natural-gas companies	A and B Nos.	Accounts for class A and class B natural-gas companies
		III. OTHER INCOME—continued		III. OTHER INCOME—continued
2524.	1524.	Interest revenues	524.	Interest revenues. 524.1 Interest on securities owned. 524.2 Other interest revenues.
2525.	1525.	Revenues from sinking and other funds.	525.	Revenues from sinking and other funds.
2526.	1526.	Miscellaneous nonoperating revenues.	526.	Miscellaneous nonoperating revenues.
2527.	1527.	Nonoperating revenue deductions. Total other income. Gross income.	527.	Nonoperating revenue deductions. Total other income. Gross income.
		IV. INCOME DEDUCTIONS		IV. INCOME DEDUCTIONS
2530.	1530.	Interest on long-term debt	530.	Interest on long-term debt.
2531.	1531.	Amortization of debt discount and expense.	531.	Amortization of debt discount and expense.
2532.	1532.	Amortization of premium on debt—Cr.	532.	Amortization of premium on debt—Cr.
2533.	1533.	Taxes assumed on interest	533.	Taxes assumed on interest.
		IV. INCOME DEDUCTIONS—continued		IV. INCOME DEDUCTIONS—continued
2534.	1534.	Interest on debt to associated companies.	534.	Interest on debt to associated companies. 534.1 Interest on advances from associated companies. 534.2 Interest on other debt to associated companies.
2535.	1535.	Other interest charges	535.	Other interest charges.
2536.	1536.	Interest charged to construction—Cr.	536.	Interest charged to construction—Cr.
2537.	1537.	Miscellaneous amortization	537.	Miscellaneous amortization.
2538.	1538.	Miscellaneous income deductions. Total income deductions. Net income.	538.	Miscellaneous income deductions. Total income deductions. Net income.
		V. DISPOSITION OF NET INCOME		V. DISPOSITION OF NET INCOME
2540.	1540.	Miscellaneous reservations of net income. Balance transferred to earned surplus.	540.	Miscellaneous reservations of net income. Balance transferred to earned surplus.

§ 204.6 *Operating revenue accounts; for natural gas companies.*

D Nos.	C Nos.	A and B Nos.	Accounts for natural gas companies
		I. GAS SERVICE REVENUES	
2600.	1600.	600.	Residential sales.
2602.	1602.1	602.1	Commercial sales.
	1602.2	602.2	Industrial sales.
2603.	1603.	603.	Public street and highway lighting.
2604.	1604.	604.	Other sales to public authorities.
2605.	1605.	605.	Sales to other gas utilities.
2607.	1607.	607.	Interdepartmental sales.
2608.	1608.	608.	Other sales.
		II. OTHER GAS REVENUES	
2610.	1610.	610.	Rent from gas property.
2611.	1611.	611.	Interdepartmental rents.
2612.	1612.	612.	Customers' forfeited discounts and penalties.
2614.	1614.	614.	Servicing of customers' installations.
2615.	1615.	615.	Revenue from transportation of gas of others.
2619.	1616.	616.	Revenue from incidental gasoline sales.
	1617.	617.	Revenue from processing natural gas.
	1618.	618.	Revenue from incidental oil sales.
	1619.	619.	Miscellaneous gas revenues.

§ 204.7 *Operating expense accounts; for natural gas companies.*

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
I. PRODUCTION EXPENSES	I. PRODUCTION EXPENSES	I. PRODUCTION EXPENSES	I. PRODUCTION EXPENSES
A. MANUFACTURED GAS PRODUCTION	A. MANUFACTURED GAS PRODUCTION	A. MANUFACTURED GAS PRODUCTION	A. MANUFACTURED GAS PRODUCTION
Operation	*Operation*	*Operation*	*Operation*
	1701. Operation supervision and engineering.	701. Operation supervision and engineering.	701. Operation supervision and engineering.
2701. Operation supervision and labor.		702. Boiler and other power labor	702. Boiler and other power labor.
		703. Coal gas and producer gas labor	703.1 Retort labor. 703.2 Coke oven labor. 703.3 Producer gas labor.
	1702. Operation labor	704. Gas generating labor	704.1 Water gas generating labor. 704.2 Petroleum gas generating labor. 704.3 Other gas generating labor. 704.4 Gas reforming labor.
		705. Purification labor	705. Purification labor.
		707. Miscellaneous production labor	707. Miscellaneous production labor.
2708. Boiler fuel	1708. Boiler fuel	708. Boiler fuel	708. Boiler fuel.
2709. Water	1709. Water	709. Water	709. Water.
	1710. Fuel under retorts	710. Fuel under retorts	710. Fuel under retorts.
2710. Coal gas fuel	1711. Fuel under coke ovens	711. Fuel under coke ovens	711. Fuel under coke ovens.
	1712. Producer gas fuel	712. Producer gas fuel	712. Producer gas fuel.
2713. Coal carbonized	1713. Coal carbonized in retorts	713. Coal carbonized in retorts	713. Coal carbonized in retorts.
	1714. Coal carbonized in coke ovens	714. Coal carbonized in coke ovens	714. Coal carbonized in coke ovens.
2715. Water gas generator fuel	1715. Water gas generator fuel	715. Water gas generator fuel	715. Water gas generator fuel.
2717. Oil and enricher materials	1716. Oil for water gas	716. Oil for water gas	716. Oil for water gas.
	1717. Gas enricher	717. Gas enricher	717. Gas enricher.
	1718. Liquefied petroleum gas	718. Liquefied petroleum gas	718. Liquefied petroleum gas.
2720. Raw materials for other gas processes.	1719. Oil for oil gas	719. Oil for oil gas	719. Oil for oil gas.
	1720. Raw materials for other gas processes.	720. Raw materials for other gas processes.	720. Raw materials for other gas processes.
2722. Other production supplies and expenses.	1721. Purification supplies	721. Purification supplies	721. Purification supplies.
	1722. Miscellaneous works expenses	722. Miscellaneous works expenses	722. Miscellaneous works expenses.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
	1723. Maintenance supervision and engineering.	723. Maintenance supervision and engineering.	723. Maintenance supervision and engineering.
	1724. Maintenance of structures and improvements.	724. Maintenance of structures and improvements.	724. Maintenance of structures and improvements.
2723. Maintenance of production plant.		725. Maintenance of power equipment	725.1 Maintenance of boiler plant equipment. 725.2 Maintenance of other power equipment.
			726.1 Maintenance of benches and retorts. 726.2 Maintenance of coke ovens. 726.3 Maintenance of producer gas equipment. 726.4 Maintenance of water gas generating equipment.
	1725. Maintenance of production plant equipment.	726. Maintenance of producing and generating equipment.	726.5 Maintenance of petroleum gas equipment. 726.6 Maintenance of other gas generating equipment. 726.7 Maintenance of coal, coke, and ash handling equipment.
		727. Maintenance of other manufactured gas property.	727.1 Maintenance of gas reforming equipment. 727.2 Maintenance of purification equipment. 727.3 Maintenance of other production equipment.

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
I. PRODUCTION EXPENSES—Con.	I. PRODUCTION EXPENSES—Con.	I. PRODUCTION EXPENSES—Con.	I. PRODUCTION EXPENSES—Con.
A. MANUFACTURED GAS PRODUCTION—continued	A. MANUFACTURED GAS PRODUCTION—con.	A. MANUFACTURED GAS PRODUCTION—con.	A. MANUFACTURED GAS PRODUCTION—con.
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
2728. Power from other sources	1728. Power from other sources	728. Power from other sources	728. Power from other sources.
2729. Rents	1729. Rents	729. Rents	729. Rents.
2730.1 Residuals produced—Cr	1730.1 Residuals produced—Cr	730.1 Residuals produced—Cr	730.1 Residuals produced—Cr.
2730.2 Residuals expenses	1730.2 Residuals expenses	730.2 Residuals operation expenses 730.3 Residuals maintenance expenses	730.2 Residuals operation expenses. 730.3 Residuals maintenance expenses.
2731.1 Joint expenses—Dr	1731.1 Joint expenses—Dr	731.1 Joint expenses—Dr	731.1 Joint expenses—Dr.
2731.2 Joint expenses—Cr	1731.2 Joint expenses—Cr	731.2 Joint expenses—Cr	731.2 Joint expenses—Cr.
2732. Duplicate charges—Cr	1732. Duplicate charges—Cr	732. Duplicate charges—Cr	732. Duplicate charges—Cr.
B. NATURAL GAS PRODUCTION	B. NATURAL GAS PRODUCTION	B. NATURAL GAS PRODUCTION	B. NATURAL GAS PRODUCTION
Operation	*Operation*	*Operation*	*Operation*
	1733. Operation supervision and engineering.	733. Operation supervision and engineering.	733. Operation supervision and engineering.
2733. Operation supervision and labor			734.1 Gas well labor. 734.2 Field line labor. 734.3 Field measuring and regulating station labor. 734.31 Field compressor station labor. 734.32 Field measuring and regulating station labor. 734.4 Other production labor.
	1734. Operation labor	734. Operation labor	
	1735. Operating supplies and expenses	735. Operating supplies and expenses	735.1 Gas well supplies and expenses. 735.2 Field line supplies and expenses. 735.3 Field measuring and regulating station supplies and expenses. 735.31 Field compressor station supplies and expenses. 735.32 Field measuring and regulating station supplies and expenses.
2735. Natural gas production supplies and expenses.			735.4 Other supplies and expenses.
	1736. Purification supplies and expenses	736. Purification supplies and expenses	736. Purification supplies and expenses.
	1737. Miscellaneous production expenses.	737. Production maps and records 738. Miscellaneous production expenses	737. Production maps and records. 738. Miscellaneous production expenses.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
	1739. Maintenance supervision and engineering.	739. Maintenance supervision and engineering.	739. Maintenance supervision and engineering.
			740.1 Maintenance of gas well structures. 740.2 Maintenance of field measuring and regulating station structures. 740.21 Maintenance of compressor station structures. 740.22 Maintenance of field measuring and regulating station structures. 740.3 Maintenance of other production system structures.
	1740. Maintenance of structures and improvements.	740. Maintenance of structures and improvements.	
2739. Maintenance of production plant.		741. Maintenance of producing gas well equipment.	741. Maintenance of producing gas well equipment.
			742.1 Maintenance of field lines. 742.2 Maintenance of field measuring and regulating station equipment. 742.21 Maintenance of compressor station equipment. 742.22 Maintenance of measuring and regulating station equipment.
	1741. Maintenance of wells, lines, and and equipment.	742. Maintenance of field lines and equipment.	
		743. Maintenance of drilling and cleaning equipment.	743. Maintenance of drilling and cleaning equipment.
	1744. Maintenance of other natural gas property.	744. Maintenance of other natural gas property.	744. Maintenance of other natural gas property.
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
2745. Gas well royalties	1745. Gas well royalties	745. Gas well royalties	745. Gas well royalties.
2746. Natural gas rents	1746. Natural gas rents	746. Natural gas rents	746. Natural gas rents.
2747.1 Residuals produced—Cr	1747.1 Residuals produced—Cr	747.1 Residuals produced—Cr	747.1 Residuals produced—Cr.
2747.2 Residuals expenses	1747.2 Residuals expenses	747.2 Residuals operation expenses 747.3 Residuals maintenance expenses	747.2 Residuals operation expenses. 747.3 Residuals maintenance expenses.
2748.1 Joint expenses—Dr	1748.1 Joint expenses—Dr	748.1 Joint expenses—Dr	748.1 Joint expenses—Dr.
2748.2 Joint expenses—Cr	1748.2 Joint expenses—Cr	748.2 Joint expenses—Cr	748.2 Joint expenses—Cr.
2749. Duplicate charges—Cr	1749. Duplicate charges—Cr	749. Duplicate charges—Cr	749. Duplicate charges—Cr.
C. OTHER PRODUCTION EXPENSES	C. OTHER PRODUCTION EXPENSES	C. OTHER PRODUCTION EXPENSES	C. OTHER PRODUCTION EXPENSES
Operation	*Operation*	*Operation*	*Operation*
2750. Operation of storage facilities	1750. Operation of storage facilities	750. Operation of storage facilities	750. Operation of storage facilities.
2751. Gas mixing expenses	1751. Gas mixing expenses	751. Gas mixing expenses	751. Gas mixing expenses.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
2752. Maintenance of storage facilities	1752. Maintenance of storage facilities	752. Maintenance of storage facilities	752. Maintenance of storage facilities.
2753. Maintenance of other production property.	1753. Maintenance of other production property.	753. Maintenance of other production property.	753.1 Maintenance of gas mixing equipment. 753.2 Maintenance of production laboratory equipment.
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
	1754. Gas purchased	754. Gas purchased 754.1 Gas purchased—natural gas. 754.2 Gas purchased—other gas.	754. Gas purchased. 754.1 Gas purchased—natural gas. 754.2 Gas purchased—other gas.
2754. Gas purchased			
	1755. Purchased gas expenses	755. Purchased gas expenses	755. Purchased gas expenses.
2756. Other expenses	1756. Other expenses	756. Other expenses	756. Other expenses.
2757.1 Joint expenses—Dr	1757.1 Joint expenses—Dr	757.1 Joint expenses—Dr	757.1 Joint expenses—Dr.
2757.2 Joint expenses—Cr	1757.2 Joint expenses—Cr	757.2 Joint expenses—Cr	757.2 Joint expenses—Cr.

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
II. TRANSMISSION EXPENSES	II. TRANSMISSION EXPENSES	II. TRANSMISSION EXPENSES	II. TRANSMISSION EXPENSES
Operation	*Operation*	*Operation*	*Operation*
		758. Operation supervision and engineering.	758. Operation supervision and engineering.
2759. System operation	1759. System operation		759.1 Pumping and regulating expenses. 759.11 Pumping and regulating expenses—labor. 759.111 Pumping station—labor. 759.112 Measuring and regulating station—labor. 759.12 Measuring and regulating expenses—supplies and expenses. 759.121 Pumping station—supplies and expenses. 759.122 Measuring and regulating station—supplies and expenses.
		759. Transmission operations	
			759.2 Operation of transmission mains. 759.21 Operation of transmission mains—labor. 759.22 Operation of transmission mains—supplies and expenses.
			759.3 Transmission maps and records.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
		760. Maintenance supervision and engineering.	760. Maintenance supervision and engineering.
		761. Maintenance of structures and improvements. 761.1 Maintenance of pumping station structures. 761.2 Maintenance of measuring and regulating station structures. 761.3 Maintenance of other transmission system structures.	761. Maintenance of structures and improvements. 761.1 Maintenance of pumping station structures. 761.2 Maintenance of measuring and regulating station structures 761.3 Maintenance of other transmission system structures.
2762. System maintenance	1762. System maintenance		
		762. Maintenance of transmission lines	762.1 Maintenance of mains. 762.2 Maintenance of pumping, regulating, and miscellaneous equipment. 762.21 Maintenance of pumping station equipment. 762.22 Maintenance of measuring and regulating station equipment. 762.23 Maintenance of other transmission system equipment.
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
2763. Rents	1763. Rents	763. Rents 763.1 Transmission and compression of gas by others. 763.2 Rents.	763. Rents. 763.1 Transmission and compression of gas by others. 763.2 Rents.
2764.1 Joint expenses—Dr	1764.1 Joint expenses—Dr	764.1 Joint expenses—Dr	764.1 Joint expenses—Dr.
2764.2 Joint expenses—Cr	1764.2 Joint expenses—Cr	764.2 Joint expenses—Cr	764.2 Joint expenses—Cr.
III. DISTRIBUTION EXPENSES	III. DISTRIBUTION EXPENSES	III. DISTRIBUTION EXPENSES	III. DISTRIBUTION EXPENSES
Operation	*Operation*	*Operation*	*Operation*
	1765. Operation supervision and office expenses.	765. Operation supervision and engineering.	765. Operation supervision and engineering.
		766. Distribution office expenses	766.1 Distribution maps and records. 766.2 Other distribution office expenses.
	1767. Operation of distribution lines	767. Operation of distribution lines	767. Operation of distribution lines. 767.1 Operation of distribution lines—labor. 767.2 Operation of distribution lines—supplies and expenses.
2765. System operation			
	1768. Operation of meters	768. Operation of meters	768.1 Removing and resetting meters. 768.2 Miscellaneous meter expenses.
	1769. Services on customers' premises	769. Services on customers' premises	769. Services on customers' premises.
	1770. Operation of street lighting equipment.	770. Operation of street lighting equipment.	770. Operation of street lighting equipment.
Maintenance	*Maintenance*	*Maintenance*	*Maintenance*
	1771. Maintenance supervision and engineering.	771. Maintenance supervision and engineering.	771. Maintenance supervision and engineering.
	1772. Maintenance of structures and improvements.	772. Maintenance of structures and improvements.	772. Maintenance of structures and improvements.
2771. Maintenance of distribution system.	1773. Maintenance of distribution lines.	773. Maintenance of distribution lines.	773.1 Maintenance of mains. 773.2 Maintenance of pumping and regulating equipment. 773.3 Maintenance of services. 773.4 Maintenance of meters. 773.5 Maintenance of house regulators. 773.6 Maintenance of other property on customers' premises.
	1774. Maintenance of street lighting equipment.	774. Maintenance of street lighting equipment.	774. Maintenance of street lighting equipment.
	1775. Maintenance of other distribution equipment.	775. Maintenance of other distribution equipment.	775. Maintenance of other distribution equipment.
Miscellaneous	*Miscellaneous*	*Miscellaneous*	*Miscellaneous*
2776. Rents	1776. Rents	776. Rents	776. Rents.
2777.1 Joint expenses—Dr	1777.1 Joint expenses—Dr	777.1 Joint expenses—Dr	777.1 Joint expenses—Dr.
2777.2 Joint expenses—Cr	1777.2 Joint expenses—Cr	777.2 Joint expenses—Cr	777.2 Joint expenses—Cr.

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
IV. Customers' Accounting and Collecting Expenses	IV. Customers' Accounting and Collecting Expenses	IV. Customers' Accounting and Collecting Expenses	IV. Customers' Accounting and Collecting Expenses
		779. Supervision	779. Supervision.
2779. Meter reading, accounting, and collecting.	1779. Meter reading, accounting, and collecting.	780. Customers' contracts, orders, meter reading, and collecting.	780.1 Customers' contracts and orders. 780.2 Credit investigations and records. 780.3 Meter reading. 780.4 Collecting.
		781. Customers' billing and accounting	781. Customers' billing and accounting.
		782. Miscellaneous expenses	782. Miscellaneous expenses.
2783. Uncollectible accounts	1783. Uncollectible accounts	783. Uncollectible accounts	783. Uncollectible accounts.
2784. Rents	1784. Rents	784. Rents	784. Rents.
V. Sales Promotion Expenses	V. Sales Promotion Expenses	V. Sales Promotion Expenses	V. Sales Promotion Expenses
		785. Supervision	785. Supervision.
		786. Salaries and commissions	786. Salaries and commissions.
2785. Sales promotion expenses	1785. Sales promotion expenses	787. Demonstration, advertising, and other sales expenses.	787.1 Demonstration. 787.2 Advertising. 787.3 Miscellaneous sales expenses.
2788. Rents	1788. Rents	788. Rents	788. Rents.
2789. Merchandising, jobbing, and contract work.	1789. Merchandising, jobbing, and contract work.	789. Merchandising, jobbing, and contract work. 789.1 Revenues from merchandising, jobbing, and contract work. 789.2 Costs and expenses of merchandising, jobbing, and contract work.	789. Merchandising, jobbing, and contract work. 789.1 Revenues from merchandising, jobbing, and contract work. 789.2 Costs and expenses of merchandising, jobbing, and contract work.
VI. Administrative and General Expenses	VI. Administrative and General Expenses	VI. Administrative and General Expenses	VI. Administrative and General Expenses
2790. General office salaries	1790. General office salaries	790. Salaries of general officers and executives.	790. Salaries of general officers and executives.
		791. Other general office salaries	791. Other general office salaries.
	1793. General office supplies and expenses.	792. Expenses of general officers and general office employees.	792.1 Expenses of general officers. 792.2 Expenses of general office employees.
		793. General office supplies and expenses.	793. General office supplies and expenses.
	1794. Management and supervision fees and expenses.	794. Management and supervision fees and expenses.	794. Management and supervision fees and expenses.
2793. General office and miscellaneous expenses.	1796. Special legal services	796. Special legal services	796. Special legal services.
	1798. Insurance	798. Insurance	798. Insurance.
	1799. Injuries and damages	799. Injuries and damages	799. Injuries and damages.
		795. Special services	795. Special services.
	1800. Other general expenses	800. Employees' welfare expenses and pensions.	800.1 Employees' welfare expenses. 800.2 Pensions.
		801. Miscellaneous general expenses	801. Miscellaneous general expenses.
		804. Commissions paid under agency sales contracts.	804. Commissions paid under agency sales contracts.
2797. Regulatory commission expenses.	1797. Regulatory commission expenses	797. Regulatory commission expenses	797. Regulatory commission expenses.
			802.1 Maintenance of structures and improvements.
2802. Maintenance of general property.	1802. Maintenance of general property	802. Maintenance of general property	802.2 Maintenance of office furniture and equipment.
			802.3 Maintenance of communication equipment.
			802.4 Maintenance of miscellaneous property.
2803. Rents	1803. Rents	803. Rents	803. Rents.
2805. Franchise requirements	1805. Franchise requirements	805. Franchise requirements 805.1 Cash outlays. 805.2 Gas supplied without charge—Dr. 805.3 Other items furnished without charge—Dr.	805. Franchise requirements. 805.1 Cash outlays. 805.2 Gas supplied with charge—Dr. 805.3 Other items furnished without charge—Dr.
2806. Duplicate miscellaneous charges—Cr.	1806. Duplicate miscellaneous charges—Cr.	806. Duplicate miscellaneous charges—Cr.	806. Duplicate miscellaneous charges—Cr.
2807. Administrative and general expenses transferred—Cr.	1807. Administrative and general expenses transferred—Cr.	807. Administrative and general expenses transferred—Cr.	807. Administrative and general expenses transferred—Cr.
2808. Joint expenses—Dr	1808. Joint expenses—Dr	808. Joint expenses—Dr	808. Joint expenses—Dr.
2809. Joint expenses—Cr	1809 Joint expenses—Cr	809. Joint expenses—Cr	809. Joint expenses—Cr.
2810. Stores expenses.[1]			
2811. Transportation expenses.[1]			

[1] Required to be kept by class D utilities that are not using the optional clearing Accounts 2902, Stores Expenses, and 2903, Transportation Expenses.

§ 204.8 *Clearing accounts; for natural gas companies.*

Accounts for class D natural gas companies	Accounts for class C natural gas companies	Accounts for class B natural gas companies	Accounts for class A natural gas companies
2901. Charges by associated companies—clearing.	1901. Charges by associated companies—clearing.	901. Charges by associated companies—clearing.	901. Charges by associated companies—clearing.
2902. Stores expenses—clearing	1902. Stores expenses—clearing	902. Stores expenses—clearing	902. Stores expenses—clearing.
2903. Transportation expenses—clearing.	1903. Transportation expenses—clearing	903. Transportation expenses—clearing.	903. Transportation expenses—clearing.
		904. Laboratory expenses—clearing	904. Laboratory expenses—clearing.
		905. Shop expenses—clearing	905. Shop expenses—clearing.
		906. Tools and work equipment expenses—clearing.	906. Tools and work equipment expenses—clearing.

Note: Use of the above accounts is optional with class D utilities. Class D utilities that do not use the above accounts are required to use Accounts 2810, Stores Expenses, and 2811, Transportation Expenses, included in Administrative and General Expenses.

PART 216—UNITS OF PROPERTY FOR USE IN ACCOUNTING FOR ADDITIONS TO AND RETIREMENTS OF GAS PLANT

Sec.
216.1 Instructions.
216.2 List of retirement units.

PRODUCTION PLANT

Manufactured Gas Production Plant

216.2-312 Structures and improvements; manufactured gas.
216.2-313 Boiler plant equipment.
216.2-314 Other power equipment.
216.2-315 Benches and retorts.
216.2-316 Coke ovens.
216.2-317 Producer gas equipment.
216.2-318 Water gas generating equipment.
216.2-319 Petroleum gas equipment.
216.2-320 Other gas generating equipment.
216.2-321 Coal, coke, and ash handling equipment.
216.2-322 Gas reforming equipment.
216.2-323 Purification equipment.
216.2-324 Residual refining equipment.
216.2-325 Other production equipment.

Natural Gas Production Plant

216.2-331-1 Gas well structures.
216.2-331-2 Field measuring and regulating station structures.
216.2-331-3 Other production system structures.
216.2-332-1 Producing gas wells; well construction.
216.2-332-2 Producing gas wells; well equipment.
216.2-333-1 Field lines.
216.2-333-2 Field measuring and regulating station equipment.
216.2-334 Drilling and cleaning equipment.
216.2-335 Purification equipment.
216.2-336 Residual refining equipment.
216.2-337 Other production equipment.

STORAGE PLANT

216.2-342 Structures and improvements.

TRANSMISSION PLANT

216.2-352 Structures and improvements.
216.2-353 Mains.
216.2-354 Pumping and regulating equipment.

DISTRIBUTION PLANT

216.2-358 Structures and improvements.
216.2-359 Mains.
216.2-360 Pumping and regulating equipment.
216.2-361 Services.
216.2-362 Meters.
216.2-363 Meter installations.
216.2-364 House regulators.
216.2-365 House regulator installations.
216.2-366 Other property on customers' premises.
216.2-367 Street lighting equipment.
216.2-368 Other distribution system equipment.

GENERAL PLANT

216.2-371 Structures and improvements.
216.2-372 Office furniture and equipment.
216.2-373 Transportation equipment.
216.2-374 Stores equipment.
216.2-375 Shop equipment.
216.2-376 Laboratory equipment.
216.2-377 Tools and work equipment.
216.2-378 Communication equipment.
216.2-379 Miscellaneous equipment.

AUTHORITY: §§ 216.1 to 216.2-379, inclusive, issued under secs. 8 (a), 10 (a), 16, 52 Stat. 821, 825, 826, 830; 15 U. S. C. 717g (a), 717i (a), 717o.

§ 216.1 *Instructions.* (a) The retirement units listed in this part are prescribed and are to be accounted for in accordance with Gas plant instruction 12 (§ 201.3-12 of this chapter). Additions and Retirements of Gas Plant contained in the main body of this system of accounts. The list of units may be expanded by any natural gas company without authorization from the Commission, but the list shall not be condensed. Thus, the units listed in this part are of maximum size and while subdivision thereof, or of the addition of other units, is permitted, the combination or the increase in size of such units is enjoined.

(b) Wherever appropriate, the retirement of any retirement unit in the structures or equipment accounts shall include all costs of associated items which pertain solely to that unit, such as the cost of foundations, support, ladders, runways, enclosures, guards, driving mechanisms, indicating, recording, and measuring devices with their mountings, starting, control, regulating, protective, and safety devices, switchboards, special lighting conduits and wiring, pipes, ducts, spouts, chutes, hoppers, etc.

(c) If, because of a contract previously entered into, adherence to the list of retirement units contained in this part would cause an undue hardship, such as the loss of revenue to a particular utility, a petition for relief, giving therein a full disclosure of the facts and a suggested modification of the list necessary to avoid the hardship during the period of the contract, should be submitted to the Commission.

(d) It is contemplated that the list of units contained in this part will be revised and amended from time to time as experience and conditions warrant.

§ 216.2 *List of retirement units.* (The article a, an, or the, as appropriate, should be read in connection with each retirement unit listed.)

NOTE: In all accounts where they occur the following shall be units if relatively costly and not an integral part of an item elsewhere classified as a retirement unit.

1. Assembly for two or more retirement units.
2. Blower or fan.
3. Control installation, automatic, semi-automatic, or remote.
4. Coupling device, i. e., speed reducer, speed increaser clutch, etc.
5. Driving unit, i. e., prime mover, motor, gas engine, etc.
6. Enclosure for two or more retirement units.
7. Foundation for a unit or item of equipment which is not intended to outlast the equipment for which provided.
8. Indicating instrument.
9. Piping, branch run of any class, 2 inches and over in size, between one or more units of property and a header.
10. Piping, run of any class, 2 inches or over in size, between two or more units of property.
11. Piping header.
12. Platforms, ladders, and runways.
13. Pump.
14. Recording device or instrument.
15. Tank.
16. Valves and cocks, 6-inch nominal pipe size and larger.
17. Valves and cocks below 6-inch nominal pipe size, rated for 300 pounds test pressure per square inch or greater.
18. Valves, special, i. e., motor-operated, hydraulic-operated, etc.
19. Weighing devices.

PRODUCTION PLANT

Manufactured Gas Production Plant

§ 216.2-312 *Structures and improvements; manufactured gas.*

1. Air conditioning or ventilating system.
2. Boiler, furnace, hot-water heater, or automatic stoker.
3. Burner system, gas or oil.
4. Coal or ash conveying system.
5. Elevator complete with operating mechanism.
6. Equipment item, such as a motor, generator, engine turbine, pump, compressor, ventilating fan, air washer, elevator drum, or similar item of equipment includible in structures, with or without associated wiring, control equipment, etc.
7. Fire escape system.
8. Fire protection system.
9. Foundation, when includible in structures.
10. House-lighting or power board.
11. Lighting fixtures, with or without associated wiring and conduit.
12. Roof, with or without supporting members. (A structure of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of structures to which lateral extensions have been made, even though having but one roof level, that part of the roof covering an entire section built at one time shall be considered an entire roof.)
13. Structure, complete.
14. Stack, brick, concrete, or other masonry.
15. Bridge.
16. Culvert.
17. Draw span.
18. Road.
19. Trail.
20. Trestle.

§ 216.2-313 *Boiler plant equipment.*

(a) Steam boiler installation:
(1) Boiler.
(2) Foundation, boiler, when independent of structure.
(3) Fuel burning equipment for one boiler (grates, stokers, stoker drive, burners, etc.)
(4) Furnace.
(5) Furnace walls or arches, air or water cooled, for one boiler.
(6) Reheater.
(7) Setting, boiler.
(8) Soot blower system for one boiler.
(9) Superheater, when separate from boiler.
(b) Draft equipment:
(1) Air duct system.
(2) Air heater.
(3) Breeching system.
(4) Cinder catching equipment.
(5) Fan, draft.
(6) Stack, with or without foundation.
(c) Feed water system:
(1) Deaerator.
(2) Economizer, when separate from boiler.
(3) Heat exchanger.
(4) Heater, feed water (main or stage).
(5) Measuring and recording device.
(6) Pump (main or stage).
(7) Regulator, feed water.
(8) Tank.
(d) Coal fuel equipment:
(1) Bin or bunker not includible in structures.
(2) Capstan or winch, power.
(3) Car.
(4) Car dumper.
(5) Chutes or spouts, system of.
(6) Conveyor (belt, cableway, portable, screw, etc.).
(7) Crane (locomotive, gantry, or monorail).
(8) Crusher.
(9) Electric trolley or third rail system.

(10) Elevator (vertical, bucket, skip hoist).
(11) Gates, chutes, downtakes, spreaders or hoppers, for one boiler.
(12) Hoist or derrick.
(13) Hopper, track or weigh.
(14) Locomotive.
(15) Lorry.
(16) Scraper, drag.
(17) Screening or sizing installation.
(18) Separator, magnetic.
(19) Structure, fuel handling, with mechanism (not includible in structures).
(20) Track scale.
(21) Track system.
(22) Trestle.
(e) Pulverized fuel equipment:
(1) Air filter or washer.
(2) Air preheater.
(3) Air compressor.
(4) Conveyor.
(5) Chutes, ducts or transport pipes, system of.
(6) Coal feeder, raw or powered.
(7) Crusher.
(8) Dryer.
(9) Fan.
(10) Hopper or bin.
(11) Pulverizer.
(12) Screening or sizing installation.
(13) Separator, electric or mechanical (dust collector or concentrated).
(14) Sludge pump.
(15) Weighing machine, automatic.
(f) Oil fuel equipment:
(1) Heater.
(2) Meter.
(g) Gas fuel equipment:
(1) Holder or tank.
(2) Meter.
(3) Pressure regulator or control device.
(h) Ash handling equipment:
(1) Car.
(2) Conveyor or elevator.
(3) Crane, hoist or derrick.
(4) Electric trolley or third-rail system.
(5) Fan.
(6) Locomotive.
(7) Removal system (vacuum, steam jet, or hydraulic).
(8) Sluiceway or piping system.
(9) Storage bin or pit.
(10) Sump dredge.
(11) Track system.
(i) Water supply and purification system:
(1) Meter.
(2) Water softener or purification system.
(3) Well.
(j) Ventilating equipment:
(1) Air duct system.
(2) Blower.
(3) Cooler or heater.
(4) Washer.
(k) Instruments and meters:
(1) Automatic control installation.
(2) Master controller installation.
(3) Panel section or a switch or instrument board.
(l) Boiler plant piping:
(1) Desuperheater.
(2) Header of any class of piping, such as each pressure or temperature class of live steam, each pressure class of exhaust steam, raw water, treated water, feed water, drip and drain piping, boiler blowdown, compressed air, hot or cold service water, lubricating oil, fuel oil, gas, fire protection, etc.
(3) Piping, branch run of any class, 2 inches or over in size, between one or more units of property and a header.
(4) Piping, run of any class, 2 inches or over in size, between two or more units of property.
(5) Separator or purifier, steam.
(6) Trap, high-pressure.
(7) Valve, motor-operated, pressure-reducing, boiler nonreturn or other relatively costly valve.

NOTE: Wherever appropriate, the "piping" costs of additions and retirements shall include all costs for pipes, valves, fittings, specials, covering, hangers, supports, etc., pertaining to the run or header in question.

(m) Process steam equipment:
(1) Purifier or separator.
(2) Accumulator.
(3) Automatic control for accumulator.

§ 216.2–314 *Other power equipment.*

(a) Steam power equipment:
a. Engine-driven generating installation:
(1) Drive or connection between engine and generator.
(2) Engine.
(3) Exciter, direct-connected or belt-driven.
(4) Foundation, independent of structure.
(5) Generator.
(6) Governor control system.
b. Turbo-generator installation:
(1) Equipment, starting and turning.
(2) Exciter, direct-connected or belt-driven.
(3) Foundation, independent of structure.
(4) Generator.
(5) Governor control system.
(6) Remote control rheostat and field switch.
(7) Turbine.
c. Condensing and cooling water system.
(1) Air ejector apparatus for one condenser.
(2) Condenser.
(3) Condenser tube protective system (chemical, electric, electrolytic, etc.).
(4) Cooling tower.
(5) Fan.
(6) Intake screen and mechanism.
(7) Pump, circulating, condensate, vacuum, etc.
(8) Spraying system.
(9) Valve, atmospheric relief.
d. Central generator cooling system:
(1) Air duct system.
(2) Air washer.
(3) Blower.
(4) Cooler.
e. Central lubricating system:
(1) Accumulator.
(2) Cooler.
(3) Purifier or filter.
f. Instrument and meters:
(1) Panel section of a switch or instrument board.
(2) Recording or indicating device.
g. Engine and turbine plant piping:
(1) Header of any class of piping, such as each pressure or temperature class of live steam, each pressure class of exhaust steam, raw water, treated water, feed, stage, and condensate water, cooling water, gland piping, lubricating oil, insulating oil, gas, free exhaust piping, vent piping, drip and drain piping, condensing water, compressed air, hot or cold service water, oil and lubricating, etc.
(2) Piping, branch run of any class, 2 inches or over in size, between one or more units of property and a header.
(3) Piping, run of any class, 2 inches or over in size, between two or more units of property.
(4) Separator or purifier, steam.
(5) Trap, high-pressure.
(6) Valve, motor-operated, pressure-reducing, or other relatively costly valve.

NOTE: Wherever appropriate, the "piping" costs of additions and retirements shall include all costs for pipes, valves, fittings, specials, covering, hangers, supports, etc., pertaining to the run or header in question.

(b) Gas and oil power equipment:
a. Internal combustion engine:
(1) Air intake equipment for one engine.
(2) Drive or connection between engine and generator.
(3) Engine, with or without foundation.
(4) Governor control system.
(5) Heat exchanger.
(6) Meters and instruments for one engine.
(7) Muffler.
(8) Stack.
(9) Starting and turning equipment.
b. Central lubricating system:
(1) Cooler.
(2) Piping system, oil.
(3) Purifier or filter.
c. Central cooling water system:
(1) Heat exchanger.
(2) Piping system, cooling water.
(3) Purification system, water.
(4) Spraying system.
(5) Tank, storage, surge, or hot-well.
(6) Tower, cooling.
d. Central starting system:
(1) Compressor.
(2) Piping system, starting.
(3) Tank, storage or compressed air.
e. Central intake air supply:
(1) Air duct system.
(2) Air filter or screen.
(3) Blower.
(4) Silencer.
f. Central exhaust gas system:
(1) Heat exchanger (or waste heat boiler).
(2) Muffler.
(3) Piping system, exhaust.
(4) Stack.
g. Fuel holders, producers, and accessories:
(1) Boiler, heating.
(2) Heater, not a part of tank.
(3) Holder.
(4) Meter.
(5) Piping system.
(6) Piping system, fuel oil.
(7) Pump, compressor, booster.
(8) Purifier.
(9) Recording or indicating device.
(10) Regenerator.
(11) Scrubber or washer.
(12) Tank, including foundations, supports, and fire protection.
(13) Vaporizing unit for butane gas.
(c) Generators:
1. Exciter, direct-connected or belt-driven.
2. Generator.
3. Panel section of a switch or instrument board.
4. Recording or indicating device.
5. Remote control rheostat and field switch.
(d) Accessory electric equipment:
(1) Air duct system.
(2) Auxiliary generator set.
(3) Battery charging set.
(4) Choke coils, set of.
(5) Condenser, synchronous.
(6) Control installation, system operator's.
(7) Converter, synchronous or rotary.
(8) Exciter, separately driven.
(9) Fan or blower.
(10) Foundation equipment.
(11) Frequency changer.
(12) Frequency control system.
(13) Fuse equipment, set of high tension.
(14) Generator voltage regulator system.
(15) Induction regulator.
(16) Lightning arrester.
(17) Oil circuit breaker.
(18) Panel or panels, devoted to a single purpose, with electric equipment accessory thereto.
(19) Reactor or resistor.
(20) Rectifier.
(21) Static condensers, set or bank of.
(22) Storage battery (station control).
(23) Switches, set of disconnecting.
(24) Testing equipment, set of.
(25) Transformer, not accessory to a panel.
(26) Truck switch with wiring and instruments.
(27) Wiring, power:
(*a*) Bus compartment, including integral cubicles for equipment.
(*b*) Bus—wires, cables, and insulators.
(*c*) Cable or conductor, each continuous circuit run.
(*d*) Circuit of generator leads to a bus including supports and protective barriers.
(*e*) Multiple conduit run between two or more units of property.

(f) Outgoing feeder or auxiliary power feeder including its individual conduit, supports, and barriers.
(e) Miscellaneous power plant equipment:
(1) Air compressor.
(2) Air conditioning or ventilating system.
(3) Barge, boat, or similar item of marine equipment.
(4) Car, railway.
(5) Communication system, station signal or call.
(6) Compressed air system.
(7) Crane, hoist or derrick.
(8) Fire protection system.
(9) Laboratory equipment, principal item, such as drying oven, calorimeter, etc.
(10) Locomotive.
(11) Oil reclaiming installation.
(12) Pump (sump, drain).
(13) Tool, principal item, such as forge, lathe, drill press, steam hammer, welding equipment, etc.
(14) Vacuum cleaning system.
(15) Exhaust heat exchanger.

NOTE: If any of the units of property listed above are a part of a structure and includible in Account 312, Structures and Improvements, they shall be accounted for through that account.

§ 216.2–315 *Benches and retorts.*

(1) Bench, including retorts, recuperators, and furnace.
(2) Charging machine.
(3) Coal bunker or bin.
(4) Coal dryer.
(5) Coal grinder or breaker.
(6) Decanter.
(7) Discharging machine.
(8) Economizer.
(9) Hot coke conveyor.
(10) Hydraulic main for one bench.
(11) Lorry.
(12) Magnetic separator.
(13) Primary atmospheric condenser.
(14) Quenching apparatus.
(15) Screen.
(16) Scrubber standpipe.
(17) Stack or chimney.
(18) Waste heat boiler.
(19) Well.
(20) Wharf.

§ 216.2–316 *Coke ovens.*

(1) Charging lorry.
(2) Clay mixer.
(3) Coal bunker or bin.
(4) Coal dryer.
(5) Coke oven.
(6) Conveyor.
(7) Door extractor.
(8) Hydraulic main for one oven.
(9) Pusher.
(10) Quenching car.
(11) Quenching tower.
(12) Regenerator.
(13) Reversing damper installation.
(14) Waste heat boiler.
(15) Wharf.

§ 216.2–317 *Producer gas equipment.*

(1) Blower.
(2) Bunker or bin.
(3) Condenser or cooler.
(4) Conveyor.
(5) Driving apparatus or linkage for one producer.
(6) Producer.
(7) Producer gas holder.
(8) Scrubber.
(9) Separator.
(10) Waste heat boiler.

§ 216.2–318 *Water gas generating equipment.*

(1) Automatic charger.
(2) Automatic control.
(3) Backrun valve.
(4) Blower.
(5) Bunker or bin.
(6) Carburetor.
(7) Dust collector.
(8) Gauge board.
(9) Generator.
(10) Hoist or elevator.
(11) Oil heater.
(12) Scales.
(13) Seal pot.
(14) Superheater.
(15) Waste heat boiler.

§ 216.2–319 *Petroleum gas equipment.*

(1) Bottling apparatus installation.
(2) Compressor.
(3) Heater.
(4) Heat exchanger.
(5) Mixing valve.
(6) Vaporizer.

§ 216.2–320 *Other gas generating equipment.*

(Insofar as applicable use units shown in other accounts.)
(1) Lamp black remover.
(2) Oil burner.
(3) Refractory screen.

§ 216.2–321 *Coal, coke, and ash handling equipment.*

(a) Dock equipment:
(1) Bridge.
(2) Capstan.
(3) Conveyor.
(4) Crane.
(5) Elevator.
(6) Unloading device.
(7) Loading tower.
(b) Loading and grading equipment:
(1) Bin.
(2) Bin unloader.
(3) Chute.
(4) Complete screen.
(5) Crusher.
(6) Grizzly.
(7) Scale.
(8) Skip hoist.
(9) Magnetic separator.
(c) Yard equipment:
(1) Bridge.
(2) Car.
(3) Car puller.
(4) Conveyor.
(5) Conveyor structure or any section thereof in excess of 50 feet.
(6) Hoist.
(7) Locomotive.
(8) Platform scale.
(9) Scale.
(10) Track hopper.
(11) Track scales.
(12) Trestle or any section thereof in excess of 50 feet.

§ 216.2–322 *Gas reforming equipment.* (Use units for Account 318, Water Gas Generating Equipment, where applicable.)

§ 216.2–323 *Purification equipment.*

(1) Absorber.
(2) Actifyer.
(3) Blower.
(4) Compressor.
(5) Condenser.
(6) Cooling coil.
(7) Decanter.
(8) Filter.
(9) Oxide conditioner.
(10) Tar extractor.
(11) Purifying box.
(12) Purifying box cover.
(13) Precipitator.
(14) Rectifier for precipitator.
(15) Scrubber.
(16) Spray pond.
(17) Stack.
(18) Thionizer.
(19) Transformer.
(20) Wash box.
(21) Washer cooler.
(22) Well.

§ 216.2–324 *Residual refining equipment.*

(a) Ammonia recovery apparatus:
(1) Absorber.
(2) Condenser.
(3) Decanter.
(4) Drier.
(5) Extractor.
(6) Fixed still.
(7) Free still.
(8) Heat exchanger.
(9) Lime leg.
(10) Lime mixer.
(11) Sludge tank.
(12) Storage tank.
(13) Well.
(b) Other refining equipment:
(Follow same scheme as in other accounts with one piece of apparatus constituting a unit.)
(c) Phenol recovery apparatus:
(Follow same scheme as in other accounts with one piece of apparatus constituting a unit.)
(d) Sulphur recovery apparatus:
(1) Autoclave.
(2) Bin.
(3) Filter.
(4) Scale.
(5) Washer.
(e) Tar refining apparatus:
(1) Centrifuge.
(2) Condenser.
(3) Cooler.
(4) Dehydrator.
(5) Heater.
(6) Still pot.
(7) Well.

§ 216.2–325 *Other production equipment.*

(1) Calorimeter.
(2) Control installation.
(3) Exhauster.
(4) Gas mixing chamber.
(5) Odorizing unit.
(6) Oil fogger.
(7) Station meter.
(8) Office furniture and equipment.
(See Account 372 for units.)

Natural Gas Production Plant

§ 216.2–331–1 *Gas well structures.* (Use units for Account 312.)

§ 216.2–331–2 *Field measuring and regulating station structures.* (Use units for Account 312.)

§ 216.2–331–3 *Other production system structures.* (Use units for Account 312.)

§ 216.2–332–1 *Producing gas wells; well construction.*

(1) Well.

§ 216.2–332–2 *Producing gas wells; well equipment.*

(1) Casing head valve.
(2) Casing string.
(3) Derrick.
(4) Pump.

§ 216.2–333–1 *Field lines.* (Use units for Account 359, Mains, where applicable.)

§ 216.2–333–2 *Field measuring and regulating station equipment.*

(1) Boosters.
(2) Driving units.
(3) Meters.
(4) Pressure gauges.
(5) Pressure regulators.
(6) Pumps.

§ 216.2-334 *Drilling and cleaning equipment.*

(1) Bailer.
(2) Boiler.
(3) Derrick.
(4) Drilling cable.
(5) Drilling shaft.
(6) Drilling machine.
(7) Engine.
(8) Motor.
(9) Pulling machine.
(10) Rig.

§ 216.2-335 *Purification equipment.*

(1) Absorber.
(2) Actifyer.
(3) Blower.
(4) Compressor.
(5) Condenser.
(6) Controller.
(7) Cooling coil.
(8) Decanter.
(9) Filter.
(10) Heat exchanger.
(11) Precipitator.
(12) Recording thermometer.
(13) Rectifier for precipitator.
(14) Scrubber.
(15) Spray pond.
(16) Stack.
(17) Still.
(18) Transformer.
(19) Wash box.
(20) Washer cooler.
(For other units see Accounts 313 and 314.)

§ 216.2-336 *Residual refining equipment.*

(a) Gasoline refining apparatus:
(1) Absorber.
(2) Blower.
(3) Boiler.
(4) Compressor.
(5) Condenser.
(6) Controller.
(7) Cooling tower.
(8) Cooling coil.
(9) Engine.
(10) Heat exchanger.
(11) Motor.
(12) Scrubber.
(13) Separator.
(14) Spray tank.
(15) Stack.
(16) Still.
(17) Tank.
(For other units see accounts 313 and 314.)
(b) Light oil refining apparatus:
(1) Condenser.
(2) Decanter.
(3) Dephlegmator.
(4) Fractionating column.
(5) Heat exchanger.
(6) Mixer.
(7) Sludge burner.
(8) Still pot.
(c) Other refining equipment:
(Follow same scheme as in other accounts with one piece of apparatus constituting a unit.)

§ 216.2-337 *Other production equipment.* (Use units for Account 325, where applicable.)

STORAGE PLANT

§ 216.2-342 *Structures and improvements.* (Use units for Account 312.)

(1) Holder crown.
(2) Holder crown support.
(3) Holder cup.
(4) Holder guide frame.
(5) Holder lift.
(6) Holder piston.
(7) Holder tank.
(8) Pressure tank.
(9) Walk.
(10) Elevator.

TRANSMISSION PLANT

§ 216.2-352 *Structures and improvements.* (Use units for Account 312.)

§ 216.2-353 *Mains.* (Use units for Account 359, Distribution Mains.)

§ 216.2-354 *Pumping and regulating equipment.* (Use units for Account 360, Distribution Pumping and Regulating Equipment, and Account 368, Other Distribution System Equipment, as appropriate.)

DISTRIBUTION PLANT

§ 216.2-358 *Structures and improvements.* (Use units for Account 312.)

§ 216.2-359 *Mains.*

(1) Pipe, two or more continuous standard lengths of pipe including fittings.
(2) District governor.
(3) Dust catcher.
(4) Oil fogger.
(5) Railroad crossing, special structure for.
(6) Resaturator.
(7) Sectionalizing valve.
(8) Tunnel.
(9) Tunnel shaft.
(10) Vault or manhole.

NOTE: "Mains" shall include pipe, fittings, specials, drips, joints, and blocking.

§ 216.2-360 *Pumping and regulating equipment.*

(1) After cooler.
(2) Booster.
(3) Compressor.
(4) District meter.
(5) Governor.
(6) Separator.
(7) Vault or manhole.

§ 216.2-361 *Services.*

(1) Main to curb line (stub).
(2) Curb line to building (extension).

§ 216.2-362 *Meters.*

(1) Meter.

§ 216.2-363 *Meter installations.*

(1) Meter installation.

§ 216.2-364 *House regulators.*

(1) House regulator.

§ 216.2-365 *House regulator installations.*

(1) House regulator installation.

§ 216.2-366 *Other property on customers' premises.* (Follow same scheme as in other accounts with one piece of apparatus constituting a unit.)

§ 216.2-367 *Street lighting equipment.*

(1) Lamp.
(2) Lamp standard.
(3) Regulator.

§ 216.2-368 *Other distribution system equipment.*

(1) Office furniture and equipment. (See Account 372 for units.)

GENERAL PLANT

§ 216.2-371 *Structures and improvements.* (Use units for Account 312.)

§ 216.2-372 *Office furniture and equipment.* Each principal item of equipment such as:

(1) Adding or calculating machine (including coin counters).
(2) Bookcase (complete).
(3) Blue-print machine.
(4) Cabinet.
(5) Chair.
(6) Desk.
(7) Dictating machine (recording or reproducing).
(8) Duplicating machine (including letterpress).
(9) Photostat machine.
(10) Safe.
(11) Sofa or lounge.
(12) Table.
(13) Typewriter.
(14) Wardrobe.

§ 216.2-373 *Transportation equipment.* Each principal item of equipment such as:

(1) Air compressor.
(2) Gasoline or oil lamp.
(3) Gasoline or oil storage tank.
(4) Horse, mule, or ox.
(5) Motor.
(6) Power-driven greasing machine.
(7) Tractor.
(8) Vehicle.

§ 216.2-374 *Stores equipment.* Each principal item of equipment such as:

(1) Crane, hoist or chainfall.
(2) Motor.
(3) Portable, elevating, and stacking equipment.
(4) Shelving or bins, section of.
(5) Truck.

§ 216.2-375 *Shop equipment.* Each principal item of equipment such as:

(1) Air compressor.
(2) Boiler.
(3) Crane, hoist or chainfall.
(4) Drilling machine.
(5) Drill press.
(6) Electric welding machine.
(7) Engine.
(8) Forge.
(9) Furnace.
(10) Lathe.
(11) Motor.
(12) Planer.
(13) Shaper.

§ 216.2-376 *Laboratory equipment.* Each principal item of equipment such as:

(1) Centrifuge.
(2) Drying oven.
(3) Calorimeter.
(4) Test meter.

§ 216.2-377 *Tools and work equipment.* Each principal item of equipment such as:

(1) Air compressor.
(2) Boiler.
(3) Cable pulling power equipment.
(4) Concrete mixer.
(5) Derrick, crane, hoist or chainfall.
(6) Engine.
(7) Forge.
(8) Furnace.
(9) Motor.
(10) Pile driving machine.
(11) Pipe threading and cutting machine.
(12) Portable crane.
(13) Portable conveyor.
(14) Pump.
(15) Trenching machine.
(16) Backfilling machine.

§ 216.2-378 *Communication equipment.* Each principal item of equipment such as:

(1) Carrier current coupling capacitator.
(2) Carrier current transmitting and receiving set.
(3) Intercommunicating telephone system.
(4) Radio receiver.

(5) Radio transmitter.
(6) Storage battery installation.

NOTE: Units of conductors, supports, and duct lines shall be identical with those prescribed for Accounts 344, 345, 346, 347, 348, 354, 355, 356, and 357, for the Uniform System of Accounts Prescribed for Public Utilities and Licensees.

§ 216.2-379 *Miscellaneous equipment.* Each principal item of equipment such as:

(1) Billiard table.
(2) Bowling alley.
(3) Radio.
(4) Soda fountain.

PART 221—MISCELLANEOUS ACCOUNTING ORDERS

Sec.
221.1 Gas plant instruction 2D, uniform system of accounts.
221.2 Disposition of gas plant acquisition adjustments.

AUTHORITY: §§ 221.1 and 221.2 issued under secs. 8 (a), 10 (a), 16, 52 Stat. 824 (a), 826 (a), 830; 15 U. S. C. 717g (a), 717i (a), 717o.

§ 221.1 *Gas plant instruction 2D, uniform system of accounts.* In submitting the information called for in Gas Plant Instruction 2D of the Uniform System of Accounts for Natural Gas Companies, each company shall furnish, insofar as applicable, the following statements, in triplicate, on paper cut or folded to 8½ inches wide by 11 inches long, and properly sworn to by the officer in responsible charge of their compilation:

Statement A showing the origin and development of the company, including, particularly, a description (giving names of parties and dates) of each consolidation and merger to which the company, or a predecessor, was a party and each acquisition of a gas operating unit or system. Any affiliation existing between the parties shall be stated.

Statement B showing for each acquisition of a gas operating unit or system by the reporting company or any of its predecessors: (1) the original cost (estimated only if not determinable from existing records), (2) the cost of the acquiring company, (3) the amount entered in the books as of the date of acquisition, (4) the difference between the original cost and the amount entered in the books, (5) a summary of all transactions affecting such difference, including retirements, between the date of each acquisition and January 1, 1940, and (6) the amount of such difference remaining at January 1, 1940.

If the depreciation, retirement or amortization reserve was adjusted as of the date of acquisition and in connection therewith, a full disclosure of the pertinent facts shall be made.

The amount to be included in Account 100.5, Gas Plant Acquisition Adjustments, as of January 1, 1940, shall be subdivided so as to show the amounts applicable to (a) gas plant in service, (b) gas plant leased to others, and (c) gas plant held for future use.

The procedure followed in determining the original cost of the gas plant acquired as operating units or systems shall be described in sufficient detail so as to permit a clear understanding of the nature of the investigations and analyses which were made for that purpose.

Where estimates are used in arriving at original cost or the amount to be included in Account 100.5, a full disclosure of the method and underlying facts shall be given. The proportion of the original cost of each acquisition which has been determined from actual recorded costs and the proportion estimated shall be shown for each functional class of plant. In addition there shall be furnished in respect to each predecessor or vendor company for which complete construction costs are not available, a description of such plant records as are available, including the years covered thereby.

Statement C showing any amounts arrived at by appraisals, recorded prior to January 1, 1940, in the gas plant accounts (and not eliminated) in lieu of cost to the reporting company. This statement should describe the appraisal and give the complete journal entry at the time the appraisal was originally recorded. If the entry had the effect of appreciating or writing-up the gas plant account, the amount of the appreciation or write-up should be traced, by proper description and explanation of changes, from the date recorded to January 1, 1940.

Statement D showing in detail as of December 31, 1939, gas plant as classified in the books of account immediately prior to reclassification, including under appropriate descriptive headings, any unclassified amounts applicable jointly to the gas department and other departments of the utility.

Statement E showing the adjustments necessary to state, as of January 1, 1940, Account 100, Gas Plant, including its subaccounts, Account 107, Gas Plant Adjustments, and amount of common utility plant includible in Account 108, Other Utility Plant, as prescribed in the Uniform System of Accounts.

Statement F showing gas plant (balance sheet Account 100) as of January 1, 1940, classified according to the subaccounts and the detailed accounts thereunder prescribed in the Uniform System of Accounts, effective on that date, and showing also the amount includible in Account 107, Gas Plant Adjustments, and the amount of common utility plant includible in Account 108, Other Utility Plant.

Statement G showing a comparative balance sheet, as of January 1, 1940, reflecting the accounts and amounts appearing in the books before the adjusting entries have been made and after such entries shall have been made. The balance sheet shall be classified by the accounts set forth in the Uniform System of Accounts Prescribed for Natural Gas Companies.

Statement H giving a suggested plan for depreciating, amortizing, or otherwise disposing of, in whole or in part, the amounts, as of January 1, 1940, includible in Account 100.5, Gas Plant Acquisition Adjustments, and Account 107, Gas Plant Adjustments.

Statement I furnishing the following statistical information relative to gas plant:

PRODUCTION PLANT

MANUFACTURED GAS

Show separately for each producing plant the name and location of plant, date of original construction, type of plant (whether coal gas, coke ovens, water gas, etc.), rated 24-hr. capacity in m. c. f. of each unit and of the total plant, and date of installation of each unit installed after original construction. Show also the original cost according to the System of Accounts for each plant, by Accounts 311 to 325, inclusive.

NATURAL GAS

For each "field" includible in Account 100.1, Gas Plant in Service, furnish the number of acres each of gas producing lands owned, of gas producing lands leased by the company, and of land on which gas rights only are owned, as included, in Accounts 330.1, 330.2, 330.3, respectively. The same information, classified by subaccounts, shall be furnished for producing and nonproducing acreage includible in Account 100.2, Gas Plant Leased to Others, and in Account 100.4, Gas Plant Held for Future Use.

For each "field" state number of feet of each size pipe used in Field Gathering Lines.

For each "field" state number of wells included in Accounts 332.1 and 332.2 segregated to show the number of wells on each type of producing lands classified under Accounts 330.1, 330.2, 330.3.

When pumping or compressing plants exist within the Production Plant, include the same information as that requested for Compressor Stations under Transmission Plant.

State type and character of Purification Equipment and Residual Refining Equipment included in Accounts 335 and 336, respectively.

Show the original cost according to the System of Accounts for natural gas production plant by each "field" and by Accounts 330.1 to 337.

STORAGE PLANT

Show separately for each location the name of plant, date of construction, type and total capacity (m. c. f.) of each gas holder. State also the original cost according to the System of Accounts for each location, by Accounts 341 and 342.

If depleted gas fields are being repressured, the statements furnished shall reflect the number of acres involved and the original cost according to the System of Accounts (Accounts 341 and 342).

TRANSMISSION PLANT

State the number of feet of each size of main.

State separately for each compressor boosting station the name of plant, location, date of original construction, rated capacity, type and character of power unit and rated capacity and type of compressor units. Also state the capacity, type and date of installation of each additional power or compressor unit. Show for each station the original cost according to the System of Accounts by Accounts 351, 352 and 354 and by prescribed subaccounts.

DISTRIBUTION PLANT

State number of feet of each size of main and the number of active meters, house regulators and services. Give a general description of the district regulators and the number, by sizes.

Where pumping or compressor stations exist within the distribution plant, include the same information requested for similar stations under transmission plant.

GENERAL PLANT

Describe the principal structures and improvements.

State the number and type of transportation vehicles and appurtenant equipment.

Give a description of store, shop and laboratory equipment and miscellaneous equipment.

Furnish maps, drawn to scale, upon which indicate transmission mains, location of production plants (artificial and natural), producing and nonproducing leaseholds (indicating thereon producing wells, dry holes and depleted wells), gathering systems, booster and compressor stations, communities served (noting as to wholesale or retail) and large industrial consumers. Where gas is purchased from or sold to other gas utilities, indicate location of measuring stations or gates. If scale maps are not available, furnish sketch maps upon which should be indicated approximate distances between the locations above specified.

§ 221.2 *Disposition of gas plant acquisition adjustments.* (a) Debit amounts in Account 100.5, Gas Plant Acquisition Adjustments, may be charged to Account 414, Miscellaneous Debits to Surplus, in whole or in part, or may be amortized over a reasonable period by charges to Account 537, Miscellaneous Amortization, without further order of the Commission;

(b) Should a utility desire to account for debit amounts in Account 100.5, Gas Plant Acquisition Adjustments, in any manner different from that indicated in paragraph (a) of this section, it shall petition the Commission for authority to do so;

(c) Debit balances shall not be determined by application of credit amounts thereto;

(d) Credit amounts in Account 100.5, Gas Plant Acquisition Adjustments, shall be accounted for as directed by the Commission;

(e) Where a utility, subject to both Federal and State regulations, petitions the Commission in accordance with paragraph (b) of this section, the cooperative procedure heretofore adopted between Federal and State Commissions shall be invoked;

(f) Disposition of amounts in Account 100.5, Gas Plant Acquisition Adjustments, as above directed, is for accounting purposes only and such disposition shall not be construed as determining or controlling the consideration to be accorded these items in rate or other proceedings, nor shall anything contained herein prevent the Commission from subsequently ordering the amounts to be charged directly to Account 414, Miscellaneous Debits to Surplus, or from modifying the adopted amortization period.

Subchapter G—Approved Forms, Natural Gas Act

PART 250—FORMS

Sec.

250.1 Certificate of service.
250.2 Certificate of concurrence.
250.3 Notice of cancellation or termination.
250.4 Notice of succession in ownership or operation.

AUTHORITY: §§ 250.1 to 250.4, inclusive, issued under 52 Stat. 822, 880; 15 U. S. C. 717c, 717o.

§ 250.1 *Certificate of service.*[1] (See § 1.17 of this chapter.)

(One original, no copies required)

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding, by delivering a copy thereof in person to _____ (Name of person) _____ and/or by mailing a copy thereof served) properly addressed to _____ (Names of persons served by) _____, dated at _____ this _____ mail) day of _____, 19__.

_____ (Signature)

Of counsel for

_____,

_____.

§ 250.2 *Certificate of concurrence.* (See § 154.3.)

(An original and one conformed copy to be submitted)

This is to certify that _____ (Name of Natural Gas Company concurring) _____ assents to and concurs in the rate schedule (rate schedule supplement) described below, which the _____ (Name of Natural Gas Company filing rate schedule) _____ has filed, and hereby files this certificate of concurrence in lieu of the filing of the rate schedule (rate schedule supplement) specified. (Here give exact description of rate schedule or supplement, including F. P. C. number)

_____ (Name of Natural Gas Company)

By _____

_____ (Title)

Dated _____, 19____.

§ 250.3 *Notice of cancellation or termination.* (See § 154.5.)

(An original and one conformed copy to be submitted.)

Notice is hereby given that effective the _____ day of _____, 19__, Rate Schedule F. P. C. No. _____,[2] dated _____ and filed with the Federal Power Commission by _____ (Name of Natural Gas Company Filing _____ Rate Schedule) { (is proposed to be canceled) / (will terminate by its own terms) } (use applicable words)

The above notice has been served upon all other parties to the rate schedule, as follows:

_____ on _____ 19__

_____ on _____ 19__

_____ (Name of Natural Gas Company Filing Notice)

By _____

_____ (Title)

Date _____, 19__.

§ 250.4 *Notice of succession in ownership or operation.* (See § 154.6.)

(An original and one conformed copy to be submitted)

The _____, _____ (Exact name of new owner, receiver, or trustee) _____ on this _____ day of _____, (Address) 19____, hereby adopts, ratifies, and makes his own, or its own, in every respect all applicable rate schedules, and supplements thereto, listed below, heretofore filed with the Federal Power Commission by _____ _____ effective _____ (Exact name of predecessor)

_____ (Effective date of change in ownership or operation)

_____ (List all Rate Schedule F. P. C. numbers adopted)

_____ (Exact name of successor)

By _____

_____ (Title)

PART 260—STATEMENTS AND REPORTS (SCHEDULES)

Sec.

260.1 Form No. 2, Annual report for natural gas companies (Classes A and B).
260.2 Form No. 2A, Annual report for natural gas companies (Classes C and D).
260.3 Form No. 11, Monthly statement of operating revenue and income for natural gas companies (Classes A and B).
260.4 Form No. Temp. 2-46, Directory of gas (and electric) utilities.

AUTHORITY: §§ 260.1 to 260.4, inclusive, issued under secs. 10 (a), 16, 52 Stat. 826, 830; 15 U. S. C. 717i (a), 717o.

§ 260.1 *Form No. 2, Annual report for natural gas companies (Class A and Class B).* (a) The form of annual report for natural-gas companies as defined in the Natural Gas Act (52 Stat. 821) which are included in Classes A and B as defined in the Commission's Uniform System of Accounts Prescribed for Natural Gas Companies subject to the provisions of the Natural Gas Act, heretofore adopted and designated as FPC Form No. 133, by Commission Order No. 100, dated November 24, 1942, including the instructions and schedules therein contained, is readopted and redesignated as FPC Form No. 2.

(b) Each natural-gas company as defined in the Natural Gas Act (52 Stat. 821) which is included in Classes A and B as defined in the Commission's Uniform System of Accounts Prescribed for Natural Gas Companies subject to the provisions of the Natural Gas Act, shall file with the Commission annually for each year beginning January 1, 1943, or next thereafter (if the established fiscal year is other than a calendar year) an original and two conformed copies, duly executed, of such Annual Report on the aforesaid FPC Form No. 2, on or before the last day of the third month following the close of the calendar year or other established fiscal year.

(c) This annual report contains the following list of schedules:

Schedule:

101. Officers.
102. Directors.
103. Control over respondent.
104. Corporations controlled by respondent.
106. Security holders and voting powers.
109. Important changes during the year.
200. Comparative balance sheet.
201. Utility plant (Accounts 100, 107, and 108).
206. Other physical property (Account 110).
206A. Other physical property—Oil property (Included in Account 110).
208. Investments in securities (Accounts 111.1 and 112).
209. Investment advances—Notes (Accounts 111.2 and 112).
210. Investment advances—Open account (Accounts 111.2 and 112).

[1] To be shown on the original when tendered for filing with the Commission of every paper as specified in § 1.17 (b) of this chapter.

[2] Insert here complete rate schedule or supplement identification as designated by the Federal Power Commission.

216. Sinking and miscellaneous special funds (Accounts 113 and 114).
217. Assets in sinking and miscellaneous special funds.
219. Securities acquired during year.
220. Securities disposed of during year.
223. Special deposits (Account 121).
225. Temporary cash investments (Account 123).
226. Notes receivable (Account 124).
227. Accounts receivable (Account 125).
229. Notes receivable from associated companies (Account 126.1).
230. Accounts receivable from associated companies (Account 126.2).
234 Materials and supplies (Account 131).
236. Prepayments (Account 132).
237. Other current and accrued assets (Account 133).
238. Unamortized debt discount and expense (Account 140).
239. Extraordinary property losses (Account 141).
240A. Preliminary natural gas survey and investigation charges (Account 142.1).
240B. Other preliminary survey and investigation charges (Account 142.2).
241. Clearing accounts (Account 143).
244. Retirement and other work in progress (Accounts 144 and 145).
245. Other deferred debits (Account 146).
246. Deferred regulatory commission expenses.
249. Discount on capital stock (Account 150).
250. Capital stock expense (Account 151).
253. Capital stock (Accounts 200 and 201).
258. Stock liability for conversion, premiums and assessments on capital stock, capital stock, subscribed, installments received on capital stock (Accounts 202, 203, 204 and 205).
263. Long-term debt (Accounts 210, 211, and 213).
264. Advances from associated companies, Notes (Account 212.1).
265. Advances from associated companies, Open account (Account 212.2).
266. Securities issued or assumed during year.
268. Notes payable (Account 220).
270. Notes payable to associated companies (Account 223.1).
271. Accounts payable to associated companies (Account 223.2).
274. Accrued and prepaid taxes.
276. Interest accrued (Account 229).
278. Unamortized premium on debt (Account 240).
280. Other current and accrued liabilities (Account 230).
283. Other deferred credits (Account 242).
285. Reserves for depreciation, depletion, and amortization of gas plant and other property (Accounts 250.1, 250.2, 250.3, 251, 252, and 253).
289. Reserve for uncollectible accounts (Account 254).
290. Insurance reserve, injuries and damages reserve, employees' provident reserve, other reserves (Accounts 255, 256, 257, and 258).
296. Contributions in aid of construction (Account 265).
297. Capital surplus (Account 270).
300. Income and earned surplus account.
300A. Other utility operating income (Account 509).
302. Income from gas plant leased to others (Account 508).
304. Income from nonutility operations (Account 521).
305. Revenues from lease of other physical property (Account 522).
306. Income from merchandising, jobbing and contract work.
309. Revenues from sinking and other funds (Account 525).
310. Miscellaneous nonoperating revenues (Account 526).
311. Nonoperating revenue deductions (Account 527).
315. Interest on debt to associated companies (Account 534).
316. Other interest charges (Account 535).
318. Miscellaneous amortization (Account 537).
319. Miscellaneous income deductions (Account 538).
321. Miscellaneous reservations of net income (Account 540).
322. Miscellaneous credits to surplus (Account 401).
323. Dividend appropriations (Accounts 411 and 412).
324. Miscellaneous reservations of surplus (Account 413).
325. Miscellaneous debits to surplus (Account 414).
400. Gas plant in service (Account 100.1).
403. Gas plant leased to others (Account 100.2).
404. Construction work in progress—Gas (Account 100.3).
405. Gas plant held for future utility use (Account 100.4).
406. Gas plant acquisition adjustments (Account 100.5).
408. Gas plant adjustments (Account 107).
411. Gas plant in process of reclassification (Account 100.6).
414. Reserve for depreciation of gas plant (Account 250.1).
415. Reserve for amortization and depletion of producing natural gas land and land rights (Account 250.2).
416. Reserve for abandoned leases (Account 250.3).
417. Reserve for amortization of other limited-term gas investments (Account 251).
418. Reserve for amortization of gas plant acquisition adjustments (Account 252).
420A. Common utility plant.
420B. Reserve for depreciation of common utility plant.
420C. Common utility plant expenses.
425. Gas operating revenues (Account 501).
427. Sales of natural gas by communities.
428. Main line industrial sales of natural gas.
429. Sales to other gas utilities—Natural gas (Account 605).
433. Interdepartmental sales—Natural gas (Account 607).
434. Other sales—Natural gas (Account 608).
436. Rent from gas property (Account 610).
437. Interdepartmental rents (Account 611).
438. Revenue from transportation of gas of others—Natural gas (Account 615).
440. Natural gas exchanged.
441. Revenue from incidental gasoline sales, revenue from processing natural gas, revenue from incidental oil sales, miscellaneous gas revenues (Accounts 616, 617, 618, and 619).
450. Gas operating expenses.
454. Duplicate charges—Credit (Account 749).
457. Transmission and compression of gas by others (Account 763.1).
458. Gas purchased (Account 754).
460. Purchased gas expenses (Account 755).
462. Franchise requirements (Account 805).
463. Administrative and general expenses transferred—Credit (Account 807).
464. Rents charged to gas operating expenses.
466. Regulatory commission expenses (Account 797).
467. Officers' salaries.
468. Joint expenses—Debit and credit.
470. Taxes charged during year.
471. Depreciation, depletion, and amortization of gas plant (Accounts 503.1, 503.2, and 504).
471A. Depreciation, depletion, and amortization of natural gas production plant.
471B. Depreciation and amortization of storage, transmission, distribution, and general plant.
472. Exploration and development costs (Accounts 510, 511, 513).
473. Abandoned leases (Account 512).
474. Construction overheads—Gas.
476. Service contract charges by associated companies.
477. Management and engineering contracts with nonassociated companies.
479. Natural gas land acreage.
480. Natural gas reserves.
481. Natural gas production statistics.
481A. Reconciliation of production system expenses.
483. Number of gas and oil wells.
484. Field lines.
485. Field compressor stations.
487. Residual recovery operations—Natural gas.
488. Transmission compressor stations.
490. Transmission lines.
491. Transmission line plant and expenses.
492. Transmission measuring and regulating station plant and expenses.
493. City gate and main line industrial measuring and regulating station plant and expenses.
494. Storage of natural gas.
495. Gas account—Natural gas.
496. Manufactured gas production statistics.
497. System map.
498. Number of employees and their compensation.
499. Distribution of salaries and wages for the year. Verification.

§ 260.2 *Annual report for natural-gas companies (Class C and Class D); FPC Form No. 2–A.* (a) The form of Annual Report for natural-gas companies as defined in the Natural Gas Act (52 Stat. 821) which are included in Classes C and D as defined in the Commission's Uniform System of Accounts Prescribed for Natural Gas Companies subject to the provisions of the Natural Gas Act, heretofore adopted and designated as FPC Form No. 133–M, by Commission Order No. 90, dated February 7, 1942, including the instructions and schedules therein contained, is readopted and redesignated as FPC Form No. 2–A.

(b) Each natural-gas company as defined in the Natural Gas Act (52 Stat. 821) which is included in Classes C and D as defined in the Commission's Uniform System of Accounts Prescribed for Natural Gas Companies subject to the provisions of the Natural Gas Act, shall file with the Commission annually for each year beginning January 1, 1943, or next thereafter (if the established fiscal year is other than a calendar year) an original and one conformed copy of such Annual Report on the aforesaid FPC Form No. 2–A, properly filled out and verified, on or before the last day of the third month following the close of the calendar year or other established fiscal year. One copy of the report should be retained by the correspondent in its files.

(c) This annual report contains the following list of unnumbered schedules:

General information, p. 1.
Comparative balance sheet, pp. 2–3.
Income and earned surplus account, pp. 4–5.
Gas plant in service, leased to others, and held for future use (Class C natural gas companies), pp. 6–7.
Gas plant in service, leased to others, and held for further use (Class D natural gas companies), pp. 8–9.
Gas plant in process of reclassification, p. 10.

Reserve for depreciation and amortization of gas plant, p. 11.
Gas operating revenues, p. 12.
Gas operating expenses, pp. 13–14–15.
Gas account, p. 16.
System map, p. 17.
General information concerning plant and operations, p. 17.
Oath, p. 18.

§ 260.3 *Form No. 11, Monthly statement of operating revenue and income for natural gas companies (Classes A and B).* (a) FPC Form No. 11, Monthly Statement of Operating Revenues and Income for natural-gas companies, as defined in the Natural Gas Act, which are in Classes A and B, as defined in the Commission's Uniform System of Accounts Prescribed for Natural Gas Companies, subject to the provisions of the Natural Gas Act, be and the same hereby is approved;

(b) Each natural-gas company which is in Class A or B shall file with the Commission one copy of such Monthly Statement of Operating Revenues and Income, FPC Form No. 11, for the month of January 1946, and each month thereafter; said statement is to be filed on or before the last day of the month following that covered by the statement, except the statements for the months of January, February, and March 1946, which shall be filed on or before the last day of May 1946; said statement shall be signed by the Chief Accounting Officer of each said natural-gas company, but is not required to be under oath.

(c) Form No. 11 is designed to obtain monthly information concerning gas operating revenues, revenue deductions, and income.

§ 260.4 *Form No. Temp. 2–46, Directory of gas (and electric) utilities.* This form is designed to obtain information concerning service rendered, names of officers, and corporate characteristics of gas utilities.

[F. R. Doc. 47–11184; Filed, Dec. 18, 1947; 9:00 a. m.]

TITLE 24—HOUSING CREDIT

Chapter VIII—Office of Housing Expediter

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947

RENT REGULATION FOR CONTROLLED ROOMS IN ROOMING HOUSES AND OTHER ESTABLISHMENTS

Amendment 10 to the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments.[1] The Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§ 825.5) is amended in the following respects:

1. Schedule B is amended by incorporating item 13 as follows:

13. Provisions relating to Uvalde County, Texas, in the San Antonio Defense Rental Area.

Decontrol based upon the recommendation of the Local Advisory Board. The application of the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments is terminated in the County of Uvalde, Texas.

2. Schedule A, item 328, is amended to describe the counties in the defense rental area under the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments as follows:

Texas—Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson.

3. The application of the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments is terminated in that portion of the Fort Knox Defense Rental Area known as the County of Bullitt and the County of Meade except that portion of Meade County known as Garnettsville Precinct, adjacent to Fort Knox, Kentucky, and consequently the above named portions of the area are decontrolled and item 124 in Schedule A is amended to describe the counties under the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments as follows:

Kentucky—Hardin and that portion of Meade County known as Garnettsville Precinct, adjacent to Fort Knox, Kentucky.

This amendment shall become effective December 16, 1947.

Issued this 16th day of December 1947.

TIGHE E. WOODS,
Acting Housing Expediter.

Statement To Accompany Amendment 10 to Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments

The Local Advisory Board for the San Antonio Defense Rental Area, Texas, has, in accordance with section 204 (e) (1) (A) of the Housing and Rent Act of 1947, recommended the decontrol of Uvalde County, Texas.

The Housing Expediter has found that the recommendation is appropriately substantiated and in accordance with applicable law and regulations and is, therefore, issuing this amendment to effectuate the recommendation.

It is likewise the judgment of the Housing Expediter that the need for continuing maximum rents in Bullitt County, Kentucky, and in Meade County, Kentucky, except that portion of Meade County known as Garnettsville Precinct, adjacent to Fort Knox, Kentucky, in the Fort Knox Defense Rental Area, no longer exists due to the fact that the demand for rental housing accommodations has been reasonably met, and this amendment is, therefore, being issued to decontrol said portions of the Fort Knox Defense Rental Area, in accordance with section 204 (c) of the Housing and Rent Act of 1947.

[F. R. Doc. 47–11209; Filed, Dec. 17, 1947; 1:49 p. m.]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947

CONTROLLED HOUSING RENT REGULATION

Amendment 10 to the Controlled Housing Rent Regulation.[1] The Controlled Housing Rent Regulation (§ 825.1) is amended in the following respects:

1. Schedule B is amended by incorporating item 13 as follows:

13. Provisions relating to Uvalde County, Texas, in the San Antonio Defense Rental Area.

Decontrol based upon the recommendation of the Local Advisory Board. The application of the Controlled Housing Rent Regulation is terminated in the County of Uvalde, Texas.

2. Schedule A, item 328, is amended to describe the counties in the defense rental area under the Controlled Housing Rent Regulation as follows:

Texas—Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson.

3. The application of the Controlled Housing Rent Regulation is terminated in that portion of the Fort Knox Defense Rental Area known as the County of Bullitt and the County of Meade except that portion of Meade County known as Garnettsville Precinct, adjacent to Fort Knox, Kentucky, and consequently the above named portions of the area are decontrolled and item 124 in Schedule A is amended to describe the counties under the Controlled Housing Rent Regulation as follows:

Kentucky—Hardin and that portion of Meade County known as Garnettsville Precinct, adjacent to Fort Knox, Kentucky.

This amendment shall become effective December 16, 1947.

Issued this 16th day of December 1947.

TIGHE E. WOODS,
Acting Housing Expediter.

Statement To Accompany Amendment 10 to the Controlled Housing Rent Regulation

The Local Advisory Board for the San Antonio Defense Rental Area, Texas, has, in accordance with section 204 (e) (1) (A) of the Housing and Rent Act of 1947, recommended the decontrol of Uvalde County, Texas.

The Housing Expediter has found that the recommendation is appropriately substantiated and in accordance with applicable law and regulations and is, therefore, issuing this amendment to effectuate the recommendation.

It is likewise the judgment of the Housing Expediter that the need for continuing maximum rents in Bullitt County, Kentucky, and in Meade County, Kentucky, except that portion of Meade County known as Garnettsville Precinct, adjacent to Fort Knox, Kentucky, in the Fort Knox Defense Rental Area, no longer exists due to the fact that the demand for rental housing accommodations has been reasonably met, and this amendment is, therefore, being issued to decontrol said portions of the Fort Knox Defense Rental Area, in accordance with section 204 (c) of the Housing and Rent Act of 1947.

[F. R. Doc. 47–11208; Filed, Dec. 17, 1947; 1:49 p. m.]

[1] 12 F. R. 4302, 5423, 5457, 5699, 6027, 6686, 6923, 7111, 7630, 7825, 7998.

[1] 12 F. R. 4331, 5421, 5454, 5697, 6027, 6687, 6923, 7111, 7630, 7825, 7999.

NOTICES

FEDERAL POWER COMMISSION

[Project No. 637]

WASHINGTON WATER POWER CO.

ORDER FIXING DATE OF HEARING

On March 27, 1947, the Commission postponed until some future date to be set by order of the Commission the hearing set for April 14, 1947, concerning the matters involved in this proceeding.

The Commission orders that the public hearing ordered will be held commencing on Monday, January 19, 1948, at 10 a. m. (P. s. t.) in the Post Office Building, Wenatchee, Washington.

Date of issuance: December 15, 1947.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 47-11120; Filed, Dec. 18, 1947; 8:47 a. m.]

[Project No. 1690]

WILLIAM W. HAMILTON AND BESSIE N. DAVIS

NOTICE OF ORDER ACCEPTING SURRENDER OF LICENSE (MINOR)

DECEMBER 16, 1947.

Notice is hereby given that, on December 15, 1947, the Federal Power Commission issued its order entered December 11, 1947, accepting surrender of license in the above-designated matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 47-11133; Filed, Dec. 18, 1947; 8:56 a. m.]

[Project No. 1951]

GEORGIA POWER CO.

NOTICE OF ORDER MODIFYING ORDER AUTHORIZING ISSUANCE OF LICENSE (MAJOR)

DECEMBER 16, 1947.

Notice is hereby given that, on December 15, 1947, the Federal Power Commission issued its order entered December 11, 1947, modifying order authorizing issuance of license in the above-designated matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 47-11132; Filed, Dec. 18, 1947; 8:56 a. m.]

[Project No. 1977]

COOPERATIVE SERVICE ASSOCIATION

ORDER FIXING HEARING

(1) On August 29, 1947, Cooperative Service Association of Concord, New Hampshire, filed an application (designated as Project No. 1977) for preliminary permit under the Federal Power Act for proposed power use and enlargement of the Blackwater Reservoir flood-control project of the Department of the Army on Blackwater River, a tributary of the Contoocook River, which is a tributary of the Merrimack River, in Merrimack County, New Hampshire.

(2) Federal and State agencies and others have expressed an interest in or objection to the issuance of a permit for the proposed development.

The Commission finds that:

(3) The applicant and all other interested persons should be afforded an opportunity to present their views in connection with the development proposed in the application.

The Commission orders that:

(4) A public hearing on the application be held beginning at 10:00 a. m. (e. s. t.) Thursday, January 8, 1948 in Hearing Room 100, State Capitol Building, Concord, New Hampshire.

Date of issuance: December 15, 1947.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 47-11121; Filed, Dec. 18, 1947; 8:47 a. m.]

[Docket No. G-976]

NEW YORK STATE NATURAL GAS CORP.

NOTICE OF APPLICATION

DECEMBER 15, 1947.

Notice is hereby given that on November 25, 1947, New York State Natural Gas Corporation (Applicant) a New York corporation with its principal place of business at Pittsburgh, Pennsylvania, and authorized to do business in the States of New York and Pennsylvania, filed an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the acquisition and operation of approximately 10.14 miles of 8-inch and 10-inch pipeline located in Potter County, Pennsylvania.

Applicant recites it has contracted to purchase said 10.14 miles of pipeline from Empire Gas and Fuel Company (Empire). Applicant states that said pipeline will provide an additional loop between the northern end of Applicant's 12-inch pipeline in Potter County, Pennsylvania, and Applicant's 8-inch pipeline extending eastwardly. The latter 8-inch pipeline is in turn interconnected with Applicant's 14-inch pipeline leading north to Rochester, New York. Said 8-inch pipeline also interconnects through other pipelines of Applicant with Applicant's 10-inch and 14-inch pipelines running eastwardly to Applicant's Sabinsville Compressor Station, Applicant's Boom Storage Pool and the eastern part of Applicant's system.

Applicant further recites that the 10.14 miles of pipeline proposed herein to be purchased from Empire will give Applicant an inlet and outlet to the North Sharon Storage Pool, which Applicant proposes to develop in Sharon and Oswayo Townships, Potter County, Pennsylvania. Applicant states it has purchased certain lands, leaseholds, mineral and storage rights in what it has designated as the North Sharon Storage Pool. At present, Applicant is using said 10.14 miles of pipeline as an additional loop in order to store greater quantities of gas in the Boom Storage Pool.

Upon the acquisition of said 10.14 miles of pipeline, Applicant's delivery point for the sale of natural gas to Empire under the existing contract between the parties will be moved to a point near Kibbeville, Oswayo Township, as aforesaid, including the relocation of the gas measuring equipment to said new point of delivery.

Applicant states that it does not propose to render any new service after the acquisition of the 10.14 miles of pipeline. Applicant states said pipeline is essential in the development and operation of the North Sharon Storage Pool, which Pool in turn will be used for the peak load requirements of Applicant's existing customers.

Applicant recites that the contract price between the parties for the purchase of the 10.14 miles of pipeline is $75,000. Applicant estimates the cost of the new measuring station at Kibbeville to be $3,500; and $5,000 as the cost for new connections between the pipeline to be acquired and Applicant's existing 8-inch line; and $2,500 for regulating equipment for delivery of gas into said 8-inch pipeline. Applicant states that the total $86,000 cost involved herein will be financed from funds on hand.

Any interested State commission is requested to notify the Federal Power Commission whether the application should be considered under the cooperative provisions of Rule 37 of the Commission's rules of practice and procedure (18 CFR 1.37) and, if so, to advise the Federal Power Commission as to the nature of its interest in the matter and whether it desires a conference, the creation of a board, or a joint or concurrent hearing, together with reasons for such request.

The application of New York State Natural Gas Corporation is on file with the Commission and is open to public inspection. Any person desiring to be heard or to make any protest with reference to the application shall file with the Federal Power Commission, Washington 25, D. C., not later than 15 days from the date of publication of this notice in the FEDERAL REGISTER, a petition to intervene or protest. Such petition or protest shall conform to the requirements of Rule 8 or 10, whichever is applicable, of the rules of practice and procedure (as amended on June 16, 1947) (18 CFR 1.8 and 1.10).

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 47-11122; Filed, Dec. 18, 1947; 8:47 a. m.]