

ORIGINAL

Decision No. 60809

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion to consider the adoption of a Uniform System of Accounts for Warehousemen engaged primarily in the storage of agricultural products.

Case No. 6434

- Sam R. Choate for California Warehousemen's Association, Pacific States Cold Storage Warehousemen's Association, and Warehousemen's Association of the Port of San Francisco.
- C. S. Herbert for Walkup Drayage and Warehouse
- Frank Brothers for Frank Brothers Co.
- Robert Cooper for Cold Storage Warehousemen
- Arlo D. Poe for Los Angeles Warehousemen's Association
- Carl F. Peters for Los Angeles Warehousemen's Association
- Jack L. Dawson for California Warehousemen's Association, Pacific States Cold Storage Warehousemen's Association, Los Angeles Warehousemen's Association, and Warehousemen's Association of the Port of San Francisco.
- Don Haslett for California Warehousemen's Association
- Kenneth E. Brown for California Warehousemen's Association
- Arlo D. Poe, J. C. Kaspar and James Quintrall for California Trucking Associations, Inc.
- A. F. Mortenson for Los Angeles Warehousemen's Association
- Gordon Ross for Overland Terminal Warehouse Company
- Lawrence Adams for Santa Maria Valley Warehouse Company
- James A. Williams for Union Terminal Warehouse
- C. V. Shawler for Commission Staff

O P I N I O N

Under date of March 22, 1960, the Commission, on its own motion, instituted an investigation to determine whether a uniform system of accounts for warehousemen engaged primarily in the storage of agricultural products should be adopted and prescribed effective January 1, 1961.

The matter was consolidated for hearing with Case No. 6435 (1) and Case No. 6436 (2) and hearings thereon were held before Examiner J. F. Donovan in San Francisco on May 4, 1960 and August 10, 1960 and in Los Angeles on May 11, 1960 and August 17, 1960, on which latter date the matter was submitted for decision.

All warehousemen having rates on file with the Commission were notified of the hearings set for May 4, 1960 and May 11, 1960, and those engaged primarily in the storage of agricultural products were served, prior to the initial hearing date, with a copy of the proposed system of accounts referred to in the order instituting investigation under this proceeding.

At the hearings, the Commission staff witness suggested that certain changes be made in the proposed system of accounts. These changes were brought about as a result of informal conferences between the Commission staff and representatives of the various warehousemen's associations. Giving consideration to the modifications as suggested, all parties to the proceeding were in agreement and recommended that the Commission adopt the proposed system of accounts as modified.

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- (1) Case No. 6435 - An investigation on the Commission's own motion to consider the adoption of a uniform system of accounts for warehousemen engaged primarily in the storage of general commodities.
- (2) Case No. 6436 - An investigation on the Commission's own motion to consider the adoption of a uniform system of accounts for cold storage warehousemen.

ORDER

Public hearings have been held in the above entitled matter and the Commission having given due consideration to the evidence submitted at such hearings:

IT IS HEREBY ORDERED AND DIRECTED that all warehousemen subject to the provisions of the Public Utilities Code who are engaged primarily in the storage of agricultural products must, on and after January 1, 1961, keep their accounts and records in accordance with the uniform system of accounts contained in Exhibit A attached hereto, which uniform system of accounts hereby is adopted and prescribed by the Public Utilities Commission of the State of California for said warehousemen.

Dated at San Francisco, California,
this 12th day of OCTOBER, 1960.

Ernest A. Long
President

Walter Mitchell

Walter Mitchell

E. J. ...

Theodore ...
Commissioners

SECTION I

DEFINITIONS

When used in this system of accounts:

1. "Accounting year" means the twelve-month period which the warehouse utility adopts for accounting, financial reporting, and fiscal purposes. The accounting year shall be the calendar year, excepting that a warehouse utility whose accounting year is affected by the periodic nature of its storage and related activities, may by proper showing obtain permission to submit its annual or other reports to the Commission upon a fiscal year basis, in which case the accounting year shall be the fiscal year permitted.
2. "Accounts" means the accounts prescribed in this system of accounts.
3. "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.
4. "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.
5. "Agricultural warehouse" means that type of public utility warehouse engaged in the storage of bulk, sacked, or baled agricultural commodities.
6. "Amortization," means the gradual extinguishment of an amount in an account by pro rating 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.
7. A. "Associated companies," means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with the accounting company.
B. "Control," (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract, or any other direct or indirect means.
8. "Book cost," means the amount at which property is recorded in these accounts without deduction of related reserves or other accounts. As applied to warehouse plant, "book cost" means the amount at which property is included in Account 1004 or in Accounts 1001 and 1002.

9. "Buildings." (See warehouse plant Instruction 11)
10. "Cold storage warehouse" means that type of public utility warehouse engaged in the low-temperature storage of food and other products.
11. "Commission," means the Public Utilities Commission of the State of California.
12. "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, warehouse plant Instruction 3.)
13. "Cost of removal," means the cost of demolishing, dismantling, tearing down, or otherwise removing warehouse plant, including the cost of transportation and handling incidental thereto.
14. "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; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters and brokers for marketing such evidences of debt; and other like costs.
15. "Depreciation," as applied to depreciable warehouse property, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of warehouse property 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.
16. "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.
17. "Equipment." (See warehouse plant Instruction 12.)
18. "Merchandise warehouse" means that type of public utility warehouse engaged in the dry storage of food, medical or merchandise products.
19. "Net book cost" when applied to warehouse 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.
20. "Net original cost," as applied to warehouse plant, means the original cost less related depreciation and amortization reserves.
21. "Net salvage value," means the salvage value of property, retired less the cost of removal.
22. "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.

23. "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.

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

25. "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.

26. "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.

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

28. "Public utility", means warehouse public utility as defined in the Public Utilities Code.

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

30. "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 1131 Materials and Supplies, or other appropriate account.

31. "Service value," means the difference between the cost and the net estimated salvage value of utility plant.

32. "Structures." (See warehouse plant Instruction 11.)

33. "Units of property," means those items of utility plant which, when retired, with or without replacement, are accounted for by crediting the book cost thereof to the utility plant account in which they are indicated.

34. "Utility" as used herein and when not otherwise indicated in the context, means any public utility to which this system of accounts is applicable.

SECTION 5
INSTRUCTIONS - GENERAL
Classification of Warehouse Utilities

A. For the purpose of applying the system for systems of accounts prescribed by the Commission, warehouse utilities are divided into types and classes, as follows:
Types

AGRICULTURAL

Having annual operating revenues exceeding \$100,000 and not exceeding \$400,000

MERCHANDISE
Having annual operating revenues exceeding \$100,000 and not exceeding \$400,000

COLD STORAGE

B. The class to which a utility belongs shall be determined by average of its annual warehouse operating revenues for the preceding three years. Utilities engaged in new enterprises, the annual operating revenues of which are not known in advance, shall be classed by a reasonable estimate of their prospective revenues.

Class A utilities shall not be required to maintain records in accordance with a uniform system of accounts prescribed herein.

D. If a Class B utility desires to keep its accounts and records as prescribed for Class A, it is permitted to do so, provided that having elected to enter a senior class it cannot later, except by permission of the Commission, change to the class to which it belongs.

Class A utilities shall keep all the accounts prescribed herein so far as they may be applicable to their affairs. Class B utilities shall keep all the accounts prescribed herein, including the condensed operating expense accounts, so far as they may be applicable to their affairs.

This system of accounts is applicable in principle to Class A and Class B warehouse utilities.

2. Records

A. Each utility shall so keep its books of account and such other books, records, and memoranda which support, or are necessary to an understanding of, the entries in such books of account, as to be able to readily furnish 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 thereto revelant.

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

C. Each utility, in accordance with the Commission's General Order No. 28, or as said order may be modified by the Commission, shall preserve its financial documents of original entry, its books of account, and such other books, records, memoranda and correspondence which support or are necessary to the understanding of its financial affairs.

A public utility warehouse may destroy such documents, records or memoranda, the permanent retention of which is not specifically required by Commission regulation, or which may not be required by Federal or California statute to be preserved permanently.

3. Accounting Period. Each Class A and Class B 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.

4. Submission of Questions. To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the Commission for consideration and decision.

5. Interpretation of Items List. 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.

Section 7. Unaudited Items. 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.

Section 8. Delayed Items. 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.

7. Unaudited Items.

When, at the end of any accounting period 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.

Section 8. Transactions with Associated Companies. Each utility 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 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. Nothing herein contained, however, shall be construed as restraining the utility from subdividing accounts for the purpose of recording separately transactions with associated companies.

9. Depreciation Accounting.

Each utility shall record as of the end of each month the estimated amount of depreciation accrued during that month on depreciable utility plant. (See Accounts 7402 and 8402, Depreciation, and Account 1005 Depreciation Reserve) and Note

Note A: Depreciation expense applicable to property included in Account 1011 Other Physical Property shall be charged to Account 5400 Other Public Utility Operating Expenses, or Account 5600 Nonutility Operating Expenses, as appropriate.

Note B: Depreciation applicable to transportation equipment may be charged to Account 9002 Transportation Expenses-Clearing, and depreciation on general tools and work equipment used in plant maintenance, repair, or construction work may be charged to Account 9003 Shop Expense-Clearing.

10. Distribution of Pay and Expenses of Employees

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

11. Accounting for Other Departments

A. This system is designed for use by public utility (1) cold storage, (2) merchandise storage, and (3) agricultural storage warehouses. If the utility also operates other utility departments such as motor carrier of property, for example, it may maintain such accounts for the other utility department(s) as may be prescribed by regulatory authority for those classes of utilities, excepting as herein noted.

In instances where the major volume of utility revenues derives from warehouse utility operations, the balance sheet asset, liability and summary income accounts provided in this uniform system (in Sections III, V and VI) shall predominate.

B. When a warehouse utility segregates its utility operations into two or more operating areas covered by a common tariff, it shall maintain its accounting records in such form as to show separately for each operating area the plant investment, depreciation reserve, operating revenues and operating expenses applicable to each.

Unless otherwise directed by the Commission, when a warehouse utility is predominately engaged in the business of motor carrier of property, or other class of public utility, it may maintain balance sheet asset, liability and summary and income accounts in accordance with the uniform system prescribed by the Commission for such predominate class of utility.

12. Account Subjects and Codes.

A. In general, the account subjects and their respective enumeration codes, embraced in this system, shall be in accordance with the following chart:

<u>Numbers</u>		
<u>from</u>	<u>to</u>	
1000	1999	General ledger assets, including valuation reserves
2000	2999	General ledger liabilities and equity, including all reserves excepting asset valuation reserves
3000	3999	Utility investment plant accounts
4100	4199	Earned Surplus analysis accounts
5000	5999	Income analysis accounts
6000	6999	Utility operating revenue accounts
7000	8999	Utility operating expense accounts
9001	9003	Clearing accounts

B. The numbers prefixed to account titles are to be considered as part of the titles. Each utility may place upon its ledger accounts a different system of account numbers; provided, however, that the numbers herein proscribed shall appear in the descriptive headings of said ledger accounts.

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

PREFACE

The systems of accounts for public utility warehouses contained in this volume represent, in historical perspective, the first revision of systems which were originated and prescribed for dry storage and cold storage public utilities in the years 1929 and 1933^{XI}, respectively.

The currently revised systems prescribed by the California Public Utilities Commission have been designed to accomplish two objectives, viz., to function as a tool for regulatory purposes, and to serve as a recorded intelligence for cost of service control.

The revised systems have been grouped into three categories - agricultural cold storage, and merchandise - according to the character of products stored.

The general plan of presentation of the systems in this volume is, in summary:

1. Sections III, IV, V and VI deal with the general ledger asset, liability and equity, earned surplus* and income* accounts; and pertain collectively to the three systems of accounts for the three categories of public utility warehouses. The accounts embraced in these sections are identical for each category of warehouse.

* Peculiar to public utility accounting systems.

C O N T E N T S

Page Nos.

I	DEFINITIONS	1 - 3
II	GENERAL INSTRUCTIONS	1 - 5
III	WAREHOUSE BALANCE SHEET ACCOUNTS	
	Instructions	1 - 4
	Chart of Accounts, Balance Sheet	6 - 8
	Account Definitions, Balance Sheet	9 - 31
IV	WAREHOUSE UTILITY PLANT ACCOUNTS	
	Instructions	1 - 17
	Chart of Accounts, Utility Plant	19
	Account Definitions, Utility Plant	20 - 27
V	WAREHOUSE EARNED SURPLUS	
	Instructions	1
	Chart of Accounts, Earned Surplus	1
	Account Definitions, Earned Surplus	2 - 3
VI	WAREHOUSE INCOME ACCOUNTS	
	Instructions	1
	Chart of Accounts, Income	2
	Account Definitions, Income	3 - 5
VII	COLD STORAGE OPERATING REVENUE ACCOUNTS	
	Instructions	1 - 2
	Chart of Accounts, Operating Revenue	3
	Account Definitions, Operating Revenue	4 - 5
VIII	COLD STORAGE OPERATING EXPENSE ACCOUNTS	
	Instructions	1 - 5
	Chart of Accounts, Operating Expense	6 - 8
	Account Definitions, Operating Expense	9 - 23
IX	OPERATING REVENUE ACCOUNTS MERCHANDISE WAREHOUSES	
	Instructions	1 - 2
	Chart of Accounts Operating Revenues	3
	Account Definitions, Operating Revenues	4 - 5
X	OPERATING EXPENSE ACCOUNTS MERCHANDISE WAREHOUSES	
	Instructions	1 - 4
	Chart of Accounts, Operating Expenses	5 - 7
	Account Definitions, Operating Expenses	8 - 19
XI	OPERATING REVENUE ACCOUNTS AGRICULTURAL WAREHOUSES	
	Instructions	1 - 2
	Chart of Accounts, Operating Revenues	3
	Account Definitions, Operating Revenues	4
XII	OPERATING EXPENSE ACCOUNTS AGRICULTURAL WAREHOUSES	
	Instructions	1 - 4
	Chart of Accounts, Operating Expenses	6 - 8
	Account Definitions, Operating Expenses	9 - 17

INSTRUCTIONS TO BALANCE SHEET ACCOUNTS
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 its liabilities and other credits, capital stock and surplus (or deficit).

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 is therefor provided.

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

4. Book Cost of Securities Owned

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

B. The utility may write down the book cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded, but a permanent impairment in the value of the securities shall be recognized in the accounts. When the securities are written off or written down, the amount of the adjustment shall be charged to Account 5900 Miscellaneous Deductions from Income, or to Account 4114 Miscellaneous Debits to Surplus, or to an appropriate reserve account.

C. Discount, Expense and Premium on Capital Stock

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

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

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

D. Discount and expense on capital stock may be charged to Account 4114 Miscellaneous Debits to Surplus, in total or in installments, or the amounts thereof may be retained in Accounts 1202 and 1203 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 plus expenses incurred in its acquisition and the par value (amount at which included in Account 2000 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 2011 Capital Surplus; provided, however, that debits shall be charged to Account 4114 Miscellaneous Debits to Surplus, if the amounts thereof exceed the balance in Capital Surplus.

30 FOC A utility which has issued shares of convertible preferred stock shall account for any premium applicable to the issuance of such shares and for the premiums which may arise by reason of the conversion of such shares into shares of common stock, by reclassifying the original premium then on the books on those shares of convertible preferred stock being converted, into premium on common stock and adding thereto any premium realized on the conversion as to cause the inclusion in premium on common stock of the entire amount of premium which finally results from the transaction.

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

A. A discount, expense, and premium accounts 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 1201 Unamortized Debt Discount and Expense, and the total of the credit balances remaining in those accounts having credit balances shall be reported under Account 2301 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 5802 Amortization of Debt Discount and Expense, or credited to Account 5803 Amortization of Premium on Debt, as may be appropriate. The utility may, however, accelerate the writing off of discount and expense by charges to Account 4114 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 4114 Miscellaneous Debits to Surplus, or credited to Account 4102 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 reacquisition shall be debited to Account 4114 Miscellaneous Debits to Surplus, or credited to Account 4102 Miscellaneous Credits to Surplus, as appropriate; 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 Utility Plants Instruction 5.

7. Contingent Assets and Liabilities.

Contingent assets represent a possible source of value to the utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the utility but which are neither direct or assumed liabilities at the date of the balance sheet. The utility shall be prepared to give a complete statement of contingent assets and liabilities (including cumulative dividends on preference stock) in its annual report and at such other times as may be requested by the commission.

8. Nominally Issued Securities. 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 non-par 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.

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

WARREN'S BALANCE SHEET ACCOUNTS

Investment Assets

1000	Utility Plans
1002	Depreciation Reserve - Utility
1006	Amortization Reserve - Utility
1007	Utility Plans Adjustments
1011	Other Physical Property
1012	Depreciation and Amortization Reserve
1021	Investments in Associated Companies
1021	Other Investments
1021	Special Funds

Current and Accrued Assets

1101	Cash
1102	Special Deposits
1106	Working Funds
1107	Temporary Cash Investments
1111	Notes Receivable
1121	Accounts Receivable
1122	Accounts Receivable - Customers
1123	Advances for Customers
1124	Accounts Receivable - Suppliers
1125	Accounts Receivable - Other
1126	Uncollectible Accounts Reserve
1127	Accounts Receivable - Associated Companies
1131	Materials and Supplies
1132	Prepayments

WAREHOUSE BALANCE SHEET ACCOUNTS

Investment Assets

- 1000 Utility Plant
- 1005 Depreciation Reserve - Utility
- 1006 Amortization Reserve - Utility
- 1007 Utility Plant Adjustments
- 1011 Other Physical Property
- 1015 Depreciation and Amortization Reserve
- 1021 Investments in Associated Companies
- 1031 Other Investments
- 1041 Special Funds

Current and Accrued Assets

- 1101 Cash
- 1102 Special Deposits
- 1106 Working Funds
- 1107 Temporary Cash Investments
- 1111 Notes Receivable
- 1121 Accounts Receivable
 - 1122 Accounts Receivable - Customers
 - 1123 Advances for Customers
 - 1124 Accounts Receivable - Employees
 - 1125 Accounts Receivable - Other
- 1126 Uncollectible Accounts Reserve
- 1127 Accounts Receivable - Associated Companies
- 1131 Materials and Supplies
- 1134 Prepayments

WAREHOUSE BALANCE SHEET ACCOUNTS

	Current and Accrued Assets	8088
1135	Prepayments--Taxes and Licenses	1188
1136	Prepayments--Insurance	8888
1137	Prepayments - Rent	
1138	Prepayments - Other	
1139	Other Current and Accrued Assets	8088
	Deferred Debits	8088
1201	Unamortized Debt Discount and Expense	1188
1202	Discount on Capital Stock	8188
1203	Capital Stock Expense	8188
1204	Other Deferred Debits	

Equity Accounts

2000	Capital Stock
2001	Common Capital Stock
2002	Preferred Capital Stock
2003	Premiums and Assessments on Capital Stock
2005	Proprietary Capital
2011	Capital Surplus
2012	Earned Surplus

Long-Term Liabilities

2101	Long-Term Debt
2102	Advances from Associated Companies

Current and Accrued Liabilities

2201	Notes Payable
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STATEMENT OF FINANCIAL POSITION

2202	Notes Receivable Discounted	
2203	Accounts Payable	
2211	Accounts Payable - Associated Companies	
2222	Other Current and Accrued Liabilities	
	Deferred Credits and Reserves	
2301	Unamortized Premium on Debt	
2302	Advance Billing and Payments	
2303	Other Deferred Credits	
2311	Injuries and Damages Reserve	
2312	Employees' Provident Reserve	
2313	Other Reserves	

Equity Accounts

	Capital Stock	0000
	Common Capital Stock	0001
	Preferred Capital Stock	0002
	Premiums and Assessments on Capital Stock	0003
	Proprietary Capital	0004
	Capital Surplus	0005
	Retained Earnings	0006

Long-Term Liabilities

	Long-Term Debt	1001
	Advances from Associated Companies	1002
	Current and Accrued Liabilities	1003
	Notes Payable	1004

BALANCE SHEET ACCOUNTS

Investment Assets - Utility Plant (1988 of 0002)

There shall be reported by this caption the balances in Accounts 1001, 1002, 1003, and 1004...

A. This account shall include the cost of utility plant, included in Accounts 3100 to and including 3391, owned and used by the utility in its utility operations...

B. The cost of additions 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 Utility Plant Instruction 72) ... Construction Work in Progress (See Utility Plant Instruction 73)

This account shall include the total expenditures for utility plant in process of construction but not ready for service the date of the balance sheet...

Utility Plant Acquisition Adjustments

A. This account shall include the difference between (1) the cost to the accounting utility of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise, and (2) the amounts distributed to the primary plant accounts, unless the amount, or amounts, which may be credited to the depreciation and amortization reserves of the accounting utility at the time of acquisition reserves with respect to such property. The account shall be subdivided to show the amounts applicable to utility plant in service and utility plant under construction. (See Utility Plant Instructions 2993 and 423)

B. When practicable this account shall be subdivided according to the character of the amounts included hereinafter for each property acquisition.

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

1004 Utility Plant in Process of Reclassification

A. There shall be closed to this account the book cost of utility plant (formerly designated as "warehouse property and equipment" and "tangible and intangible fixed capital" in the

STANDARD TERMS FOR THE

warehouse systems of accounts) as of the effective date hereof. The detail of primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the utility plant accounts herein prescribed (3000 to 3391), but shall not be used for additions, betterments, or new construction.

B. No charges, other than as provided in paragraph A above, shall be made to this account, but retirements of utility 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.

Depreciation Reserve - Utility

- A. This investment asset valuation account shall be credited with the following:
- 1) amounts charged to Accounts 7402 and 8402 Depreciation;
 - 2) amounts charged to Account 4114 Miscellaneous Debits to Surplus for past accrued depreciation;
 - 3) amounts of depreciation applicable to utility properties acquired as operating units or systems; (See Utility Plant Instruction 4)
 - 4) amounts chargeable upon approval of the commission to Account 1204 Other Deferred Debits, for extraordinary property losses.

B. At the time of retirement of depreciable utility plant in service this account shall be charged in accordance with (unit plan or group plan methods, as follows:

- 1) where property is recorded under the unit plan method, the depreciation accrued to the date of retirement;
- 2) where property is recorded under the group plan method, the book cost of the property retired and the cost of removal; or
- 3) where property is retired in accordance with the group plan method, this account shall be credited with the salvage value or any other amounts recovered, such as insurance.

The credits and debits to the reserves shall be so entered as to show separately:

- 1) the amounts of the accrual for depreciation;
- 2) the cost of property retired under the group plan;
- 3) the cost of removal of property retired under the group plan;
- 4) salvage realized on property retired under the group plan;
- 5) other items, including recoveries from insurance on

group plan items.

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 Utility Plant Instruction 14.

E. The utility is restricted in the use of the reserve for 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.

1006 Amortization Reserve - Utility

This account shall be concurrently credited with amounts charged to Accounts 7403 Plant Amortization and 8403 Office Amortization.

This account also shall 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 limited-term interests in land and land rights, or other intangible property, or of improvements to lease-holds which revert to the lessor, all of which have a terminable life, the cost of which is included in utility plant. To the extent that provision previously has not been made for amortization of limited-term utility investments, amounts credited to this reserve shall be concurrently debited to Account 4114 Miscellaneous Debits to Surplus.

C. When any limited-term investment 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 charged to Account 4114 Miscellaneous Debits to Surplus, or credited to Account 4102 Miscellaneous Credits to Surplus, as appropriate.

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

1007 Utility Plant Adjustments

A. This account shall include the difference between the amount distributed to primary plant and other accounts and the book cost of utility plant, at the effective date of this system of accounts. Write-ups of utility plant prior to the effective date of this system of accounts shall be herein recorded.

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

The amount included in this account shall be classified in such manner as to show the nature of each amount included and shall be disposed 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 utility plant.

1018 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.

B. The records supporting the entries to this account shall be so maintained 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.

1019 Depreciation and Amortization Reserve - Nonutility

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

1021 Investments in Associated Companies

There shall be reported by this caption the amounts included in Accounts 1022 and 1023.

1022 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. 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.

1023 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 1127 Accounts Receivable - 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 1127 Accounts Receivable - Associated Companies.

Note B - Advances made to associated companies without expectation of reimbursement shall be charged to Account 5900 Miscellaneous Deductions from Income, unless authorized by the Commission to be charged to some other account.

1031 Other investments

A. This account shall include the book cost of the utility's investment in securities issued or assumed by non-associated companies, and any investment advances to such non-associated companies, and any investment not accounted for elsewhere, including notes receivable and similar evidences of money due that run longer than one year from the date of issue. Securities held as temporary cash investments, including commercial loans, shall not be included in this account.

B. The records shall be maintained in such a manner as to show the amount of each investment, notes receivable 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.

1041 Special Funds

This account shall include assets which have been segregated in special funds for bond redemption, insurance, employees' pensions, savings, relief, hospital, and other purposes. 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.

A - The foregoing special funds shall be maintained in separate accounts for each fund.

Note B - Deposits for more than one year shall be charged to this account unless authorized by the Commission to be charged to some other account.

CURRENT AND ACCRUED ASSETS

1101 Cash
This account shall include the utility's current cash funds except working funds. (See Account 1106 Working Funds.)

1102 Special Deposits

There shall be reported by this caption the amounts included in Accounts 1103, 1104 and 1105.

1103 Interest Special Deposits
Special deposits with fiscal agents or others for the payment of interest may be charged to this account. When so charged and when interest is paid from the deposits, the interest amount shall be credited to this account and charged to the appropriate accrued interest account.

1104 Dividend Special Deposits
Special deposits with fiscal agents and others for the payment of dividends on behalf of the utility may be charged to this account. When so charged and when dividends are paid from the deposits, the amount thereof shall be credited to this account and charged to the appropriate dividends payable account.

1105 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 utility's securities and deposited with trustees to be held until invested in property of the utility, and the like. When the purposes of such deposits are satisfied and 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 account 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 1031 Other Investments.

1106 Working Funds
This account shall include cash advanced to officers, agents, employees and others as petty cash or working funds.

1107 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, required for the purpose of temporarily investing cash.

The account shall be so maintained so as to show:
Temporary Cash Investments - Associated Companies
Temporary Cash Investments - Other

Note - If any of the temporary investments are pledged, proper records of pledged investments shall be maintained.
Notes Receivable
This account shall include the book cost, not includible elsewhere for 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, secured or unsecured; excepting, however, notes receivable from associated companies. (See Account 1107 Temporary Cash Investments, and Account 1127 Accounts Receivable - Associated Companies.)

Note - The face amount of notes receivable discounted, sold or transferred, without releasing the utility from liability as endorser thereon, shall be credited to Account 2202 Notes Receivable Discounted, and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

1121 Accounts Receivable

There shall be reported by this caption the balances in Accounts 1122, 1123, 1124, and 1125.
1122 Accounts Receivable - Customers

This account shall include amounts due from customers for utility and other services. It shall not include amounts due from associated companies.

1123 Accounts Receivable - Advances for Customers.

This account shall include amounts due from customers for advances furnished. It shall not include amounts due from associated companies.
1124 Accounts Receivables - Employees

This account shall include amounts due from employees;

1125 Accounts Receivable - Other

A. This account shall include amounts owing the utility upon accounts with concerns or individuals other than employees, associated companies, or customers.

B. The account shall be maintained in such manner as to show separately amounts due on subscriptions to capital stock, amounts due from officers, and other accounts not otherwise provided.

1126 Uncollectible Accounts Reserve

A. This account may 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 8506 General Expenses for amounts applicable to utility operations, and to appropriate Other Public Utility and Nonutility Operating Expense accounts for other operations.

B. If the utility maintains this reserve it is restricted in the use thereof 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.

Note: Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character provided.

1127 Accounts Receivable - 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 one year and items which are not paid within one year from due date, shall be transferred to Account 1023 Advances to Associated Companies.

B. The account may be subdivided as follows:

Notes Receivable - Associated Companies

Accounts Receivable - Associated Companies

Note A - On the balance sheet, accounts receivable from associated companies may be set off against accounts payable to the same associated companies.

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 2202 Notes Receivable Discounted.

1131 Materials and Supplies
There shall be reported under this caption the total of the amounts in Accounts 1132 and 1133.

1132 Materials and Supplies - Utility
A. This account shall include the cost of materials and supplies (including fuel) held primarily for use in the utility 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, loading and unloading, transportation, and other directly assignable charges.

B. Inward transportation charges for materials as far as practicable shall be included as a part of the cost of the particular material to which they relate.

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.

D. Inventories of materials, supplies, fuel and the like, shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large difference 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.

1133 Materials and Supplies - Nonutility
This account shall include the cost of all materials and supplies held primarily for nonutility purposes.

1134 Prepayments

There shall be reported under this caption the total of the amounts in Accounts 1135, 1136, 1137 and 1138, as follows:

1135 Prepayments - Taxes and Licenses
 1136 Prepayments - Insurance
 1137 Prepayments - Rents
 1138 Prepayments - Other
 1139 Other Current and Accrued Assets

A. This account shall include current and accrued assets of the general nature defined in Accounts 1101 to 1138, inclusive, but not specifically includible in any of these accounts.

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

1. Inward transportation charges for materials as provided shall be included as part of the cost of the material to which they relate.

2. Cash or other accounts on materials shall be debited when practicable in determining the cost of the material or credited to the account to which the material is charged.

3. Inventories of materials, supplies, tools and the like shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large classes of materials which can be assigned to separate classes of materials shall be separately adjusted among the accounts to which such classes of materials have been charged and the provisions of other differences shall be equitably apportioned among the accounts to which materials have been charged.

1133 Materials and Supplies - Nonutility

This account shall include the cost of all materials and supplies held primarily for nonutility purposes.

1134 Prepayments

There shall be reported under this section the cost of the accounts in Accounts 1135, 1136, 1137 and 1138, as follows:

DEFERRED DEBITS

1201 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.)

1202 Discount on Capital Stock

A. This caption shall include all balances in the accounts for discount on capital stock. The accounts hereunder shall be maintained in such manner as to show separately the discount on each class and series of capital stock. (See balance sheet, Instruction 5.)

B. The utility may amortize the balance carried in this account by charges to Account 4114 Miscellaneous Debits to Surplus.

1203 Capital Stock Expense

A. This account shall include all commissions and expenses incurred in connection with the original issuance and sale of 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 cash retired stock. (See balance sheet, Instruction 5.)

C. The utility may amortize the balance carried to this account by charges to Account 4114 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.

1204 Other Deferred Debits

A. This account shall include all debits not otherwise provided for, the proper final disposition of which is deferred or uncertain, and unusual or extraordinary expenses not provided by specific account, being held for ultimate disposition.

B. The account shall be subdivided as follows:

- 1205 Clearing Accounts
- 1206 Extraordinary Property Losses
- 1207 Other Deferred Debits

1205 Clearing Accounts

This subaccount shall include the balances, segregated, of the following clearing accounts:

- 9001 Unit Property Retirements - Clearing
- 9002 Transportation Expenses - Clearing
- 9003 Shop Expenses - Clearing

9001 Unit Property Retirements - Clearing

A. This account shall be used to assemble the (1) recorded cost, (2) accumulated depreciation, (3) cost of removal, and (4) the salvage or insurance realized, on property retired from use, the depreciation of which has been accounted under the unit plan. (See Utility Plant Instruction 13.)

B. Upon final determination, the net gain or net loss experience upon retirement from use of each individual unit of property herein recorded, shall be closed (transferred) from Account 1204 - 9001 into Account 4102 Miscellaneous Credits to Surplus, or Account 4111 Miscellaneous Debits to Surplus as appropriate.

9002 Transportation Expenses - Clearing

A. This account may or may not be used at the option of the accounting utility.

B. If used, the account shall include the cost of supervision, labor, maintenance and repair expenses, direct taxes, and depreciation incurred in the operation of transportation equipment.

C. If used, the account shall be cleared by apportionment to warehouse utility or other public utility, or nonutility operating accounts, or to other accounts on a basis which will distribute the expenses equitably. Credits to the account shall be made in such details as to permit ready analysis.

Items

- Building service
- Depreciation of transportation equipment
- Direct maintenance labor
- Fuel for heating
- Fuel and lubricants for vehicles (including sales and excise taxes)
- Freight, express, etc., on repair parts, etc.
- Insurance on transportation equipment, including public liability and property damage
- License fees for vehicles
- Maintenance expenses on garage and transportation equipment

9003 Shop Expenses - Cleaning
 Shop Expenses
 Supervision (of maintenance labor)
 Tires
 Shop Expenses - Cleaning

A. This account may or may not be used at the option of the accounting utility.

B. If used, the account shall include the cost of supervision, labor and expenses incurred in the operation and maintenance of the general shops of the utility.

C. If used, the account shall be cleared by apportionment to warehouse or other public utility, or nonutility operating account, or to other accounts, on a basis which will distribute the expenses equitably. Credits to the account shall be made in such detail as to permit ready analysis.

Items

- Building service
- Depreciation on building space and shop equipment
- Direct labor
- Electricity and gas
- Lubricants for shop equipment
- Maintenance expenses on shop equipment
- Repairs to shop equipment
- Small tools
- Supervision

1206 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. It shall include 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 hereto properly chargeable.

C. The 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 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, classified in accordance with the prescribed utility plant accounts, the cost to the utility, the amount of intangible value carried in the accounts with respect to such property, 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.

1207 Other Deferred Debits

This account shall include all debits distributable to Account 1204 as defined above, for which provision is not specified in Accounts 1205 and 1206.

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

- Depreciation on buildings
- Direct labor
- Electricity and gas
- Expenditures for shop equipment
- Maintenance expenses on shop equipment
- Repairs to shop equipment
- Small tools
- Supplies

1208 Extraordinary Property Losses

A. This account shall include, when authorized or directed by the Commission, losses in service of property or otherwise related to service, which are not provided for by the depreciation or other reserves, and which could not reasonably have been covered by depreciation or other reserves which could not reasonably have been covered by reserves of the utility.

B. The entire loss in service of property or otherwise related to service shall be charged to the depreciation reserve or a portion of the loss in service value to be included in this account, the depreciation reserve shall be credited and this account charged with the amount of property chargeable.

C. The account shall be maintained and the Commission may be made of amounts included therein.

EQUITY ACCOUNTS

2000 Capital Stock

There shall be reported by this caption the balances in all Accounts 2001, and 2002 deb or cred of funds belonging to the utility.

2001 Common Capital Stock

A. This account shall include the par value, the stated value of stock without par if such stock has a stated value, and, if not, the cash value of the consideration received for such non-par stock, or each class of capital stock actually issued and actually outstanding.

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 of stock. When capital stock is retired and canceled, this account shall be charged with the amount at which such stock is herein carried.

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.

E. 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 2003 Premiums and Assessments on Capital Stock.

The requirements outlined in paragraphs A, B, C and D for Accounts 2001 apply to this account. 2003 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. When a utility originally issues convertible preferred stock at a premium and subsequently converts said preferred stock into common stock under a conversion formula which results in an additional premium, the original premium, together with the premium on conversion, shall be classified as premium on common stock.

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

D. 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 hereto debited. (See Balance Sheet Instruction 5.)

2005 Proprietary Capital

This account shall include the non-corporate capital investment of a proprietorship or partnership, as the case may be.

B. As a sole proprietorship account, this shall include the investment of a sole proprietor. The account shall be charged with all withdrawals from the business by the proprietor other than amounts representing salary. (See Note A.) At the end of each accounting year the net income or loss for the year as reflected by the income statement shall be hereto transferred. There shall also be herein entered such items as in corporate organizations are handled through the subdivisions of Account 2012 Earned Surplus. (See optional accounting procedure provided hereunder in Note B.)

Note A - Amounts designated as salary of the proprietor, representing fair and reasonable compensation for services performed, shall be charged to Account 8006 Administrative Salaries or other appropriate account.

Note B - The account may be restricted to the amount considered by the proprietor to be his permanent investment in the business, subject to change only by additional investment on his part or the withdrawal of portions. When this option is taken, withdrawals of profits shall be charged to Account 4114 Miscellaneous Debits to Surplus, and the earned surplus accounts shall otherwise be employed as provided in the texts of those accounts.

Note C - Income taxes of the proprietor if paid from funds of the utility shall be charged to this account.

C. As a partnership account, this shall include the respective amounts paid into the business by the partners. The account shall be subdivided to afford segregation of individual partner interests. It shall be charged with all withdrawals from the business by each partner other than amounts representing salary. (See Note A above.)

At the end of each accounting year the net income or loss for the year as reflected by the income statement shall be hereto transferred. There shall also be herein entered such items as in corporate organizations are handled through the subdivisions of Account 2012 Earned Surplus. (See optional accounting procedure provided hereunder in Note C.)

Note A - Amounts designated as salaries of the partners representing fair and reasonable compensation for services performed, shall be charged to Account 8006 Administrative Salaries, or other appropriate accounts.

Note B - Separate accounts shall be maintained to show the net equity of each member of the partnership and the transactions affecting the interest of each such partner. The total of the balances in such accounts shall be shown as one amount in the balance sheet.

Note C - The account may be restricted to the amounts considered by the members of the partnership to be their permanent investments in the business, subject to change only by additional investments by the partners or withdrawals of portions. When this option is taken, withdrawals of profits shall be charged to Account 414 Miscellaneous Debits to Surplus, and the earned surplus accounts shall be otherwise employed as provided in the texts of those accounts.

Note D - Personal income taxes of the partners, if paid from partnership funds, shall be charged to this account.

2011 Capital Surplus

A. This account shall consist of surplus arising from the following:

1. Recapitalization or reorganization of the corporation;

2. Alterations of value of outstanding stock effecting;

- a. credits from the sale of reacquired stock;
- b. credits arising from retirement and cancellation of stock;
- c. credits from the reduction of par or stated value of outstanding stock;

3. Forfeitures of installments paid on stock subscriptions; and

4. Forgiveness of debt.

B. The account shall be maintained in such a manner as to provide an obvious analysis of the charges and credits.

2012 Earned Surplus

This account shall include the balance, either debit or credit, of unappropriated surplus arising from operating or other earnings. It shall exclude surplus properly includible in Account 2011 Capital Surplus.

2101 Long-Term Debt

A. This account shall include the face value of the actually issued and unmatured bonds which have not been retired or canceled, the face value of certificates of indebtedness issued by receivers in possession of the property and acting under the orders of a court, notes payable secured by real estate mortgages, or other notes payable, secured or unsecured, issued by the utility, or any of such obligations assumed by the utility, maturing more than one year from date of issue or assumption. (See Balance Sheet Instruction 3.)

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

C. The account shall exclude obligations to associated companies.

2102 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. The account may be subdivided as follows:

- Advances on Notes
- Advances on Open Accounts

Note A - The records supporting the entries to this account shall be so maintained 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 2211, Accounts Payable-Associated Companies.

3. Forfeitures of installment payments on notes and open accounts.

4. Forfeitures of deposits.

5. The account shall be maintained in such a manner as to provide an adequate analysis of the charges and credits.

6. This account shall include the balance of the following items:

7. Advances from associated companies.

8. Advances from other sources.

9. Advances from utility.

10. Advances from other utilities.

11. Advances from other sources.

12. Advances from other utilities.

13. Advances from other sources.

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CURRENT AND ACCRUED LIABILITIES

2201 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 one year from the date of issue, to other than associated companies. (See Balance Sheet Instruction 3.)

2202 Notes Receivable Discounted
This account shall include the face value of notes receivable discounted or sold without releasing the utility from liability as endorser of the notes.

2203 Accounts Payable
This account shall include all amounts payable by the utility within one year, and which are not provided for in other accounts.

2211 Accounts Payable - Associated Companies

A. 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.

B. The account may be subdivided as follows:

- Notes Payable to Associated Companies
Accounts Payable to Associated Companies

Note - Exclude from this account notes and accounts which are includible in Account 2102 Advances from Associated Companies.

2221 Taxes Payable or Accrued

A. This account shall include all known or estimated tax liabilities, segregated according to character and political authority.

The account also shall include collections of employees' share of payroll taxes, as well as withholding taxes, held in trust by the utility pending remittance to the taxing authorities.

B. The account shall be credited monthly with the amount of taxes accrued for the period, corresponding debits being made to the appropriate expense or other accounts. Such credits may be based upon estimates, but from time to time, as the facts become known, the amount of periodic credits shall be adjusted

so as to include, as nearly as can be determined in each accounting year, the taxes thereto applicable.

C. Any amount representing a prepayment of taxes applicable to the subsequent accounting year shall be entered in Account 1135 Prepayments - Taxes and Licenses.

D. The account shall be subdivided to furnish the following information:

- Federal: income taxes payable or accrued, excise - unemployment tax payable, insurance contributions act taxes payable - employer, employees' withholding tax payable, employees' insurance contributions act taxes payable,
- State: franchise (income) tax accrued or payable, unemployment taxes payable - employer, auto and truck licenses payable, inspection licenses and permits payable, employees' unemployment taxes payable, etc.
- County: real and personal property taxes accrued or payable, business franchise payable;
- City: real and personal property taxes accrued or payable, business license payable, inspection licenses and permits payable.

2222 Other Current and Accrued Liabilities

A. This account shall include all current and accrued liabilities not provided for inclusion in Accounts 2201 to 2221.

B. The account may be subdivided as follows:

- Dividends Declared
- Matured Long-Term Debt
- Matured Interest
- Interest Accrued
- Other Accrued Liabilities

2223 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.

2224 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 also shall include bonds called for redemption but not presented.

DEFERRED CREDIT BALANCES

2225 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.

2226 Interest Accrued

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.

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

This account shall include accrued liabilities not provided for elsewhere.

This account shall be credited with amounts charged to Accounts Receivable and other claims, or other appropriate accounts to meet the probable liability, not covered by insurance, for damages to property held under lease by the utility or for claims or liability to employees and others.

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 the California Industrial Accident Commission, 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 hereto, shall be charged to this account.

Note B - Accruals to this reserve shall not be made in excess of a reasonable provision against losses of the character hereby provided.

Employees Provident Reserve

This account shall include amounts which have been made by operation of the plan, or by special contributions of income or surplus, and by amounts contributed by employees (whether carried in special funds or in the general funds of the

DEFERRED CREDITS AND RESERVES

2300

2301 Unamortized Premium on Debt.

This account shall include the total of the credit balances of the discount, expense and premium accounts for all classes of long-term debt, including receiver certificates (See Balance Sheet Instruction 6.)

2300

2302 Advance Billing and Payments.

The use of this account is optional. If used, it shall include the amounts of advance billing, such as "handling-out charges," creditable to revenue accounts of the utility, upon the rendition of services for which it is obligated.

2303 Other Deferred Credits

This account shall include the amount of items held in suspense pending the obtaining of information requisite to permit their disposal; and the amount of all deferred credits other than those for which Accounts 2301 and 2302 are provided.

2311 Injuries and Damages Reserve

A. This account shall be credited with amounts charged to Account 8504 Loss and Damage Claims, or other appropriate accounts, to meet the probable liability, not covered by insurance, for damages to property held under bail by the utility; or for deaths or injury to employees and others.

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 the California Industrial Accident Commission, 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 hereby provided.

2312 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 health benefits, savings, relief, hospital and other provident purposes.

B. The account shall include also the amounts accrued for pension through charges to Accounts 7100 and 8100, Payroll Expenses - plant and office; as well as charges to Accounts 5400 and 5600, Other Public Utility Operating Expenses and Nonutility Operating Expenses, respectively.

2313 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. The account shall be maintained in such manner as to show the amounts of each separate reserve and the nature and amounts of the debits and credits therein entered.

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SECTION IV
INSTRUCTIONS - UTILITY PLANT ACCOUNTS

1. Purposes of Utility Plant Accounts

The summary utility plant accounts are as follows:

- 1000 Utility Plant
- 1001 Utility Plant in Service
- 1002 Construction Work in Progress
- 1003 Utility Plant Acquisition Adjustments
- 1004 Utility Plant in Process of Reclassification
- 1007 Utility Plant Adjustments

B. Account 1000 is a caption by which shall be reported the amounts in Accounts 1001 to 1004, inclusive.

C. Accounts 1001 and 1002 are designed to show the cost of utility plant acquired as operating units or systems by purchase, merger, consolidation, liquidation or otherwise, and the cost to the utility of all other utility plant recorded in these accounts. (See Utility Plant Instructions 2, 3 and 4.)

D. Account 1003 is designed to show the difference between the cost to the utility of utility plant acquired as operating units or systems by purchase, merger, consolidation, liquidation or otherwise and the amounts distributed to primary plant accounts, due consideration being given to any depreciation or amortization recorded by the account utility at the date of acquisition.

E. Account 1004 is designed to be used as a control account for utility plant at the effective date of this system of accounts pending the distribution thereof in accordance with the accounts therein prescribed.

F. Account 1007 Utility Plant Adjustments, is designed to show the amount by which the book cost of utility plant at the effective date of this system of accounts differs from the original cost of the plant 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 Account 1000 and Account 1007 Instructions.

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

A. As of the effective date of this system of accounts, the balances in the fixed capital accounts under the old uniform classifications of accounts shall be distributed to the plant accounts provided in this new system of accounts.

B. Pending the classification of utility plant as of the effective date of this system of accounts in accordance with the plant accounts herein prescribed, each utility shall maintain its present fixed capital accounts as subaccounts of Account 1004.

3. Utility Plant to be Recorded at Cost

A. All amounts included in the accounts for tangible utility plant consisting of plant acquired as an operating unit or system shall be stated in accordance with the provisions of Utility Plant Instruction 4-B. All other tangible utility plant shall be included in the accounts at the cost incurred by the utility.

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

C. Where the term "cost" is used in the detailed utility plant accounts, it shall have the meaning stated in paragraphs A and B above and shall include not only the materials, supplies, labor, services and other items consumed or employed in the construction and installation of utility plant, but also the cost of preliminary studies, plans, surveys, engineering, supervision, and general expenses, which contribute directly and immediately to utility 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 utility plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

4. Utility Plant Purchased

A. When utility 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 utility plant, shall be charged to account 3391 Utility Plant Purchased.

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

Unless otherwise authorized or directed by the commission, the balances in the utility plant accounts of the transferor shall be credited to Account 1001.

Utility Plant in Service, subaccount 3391 Utility Plant Purchased, and concurrently charged to Account 1001 Utility Plant in Service, Account 1002 Construction Work in Progress, or other accounts as appropriate, and distributed to the detailed accounts which they control.

2) Unless otherwise authorized or directed, the balances in the depreciation and amortization reserve accounts of the transferor shall be charged to Account 1001 Utility Plant in Service, subaccount 3391 Utility Plant Reserve Purchased, and concurrently credited to Account 1005 Depreciation Reserve - Utility, and Account 1006 Amortization Reserve - Utility, or other accounts as appropriate.

3) The amounts remaining in Account 3391 Utility Plant Purchased, shall then be closed to Account 1003 Utility Plant Acquisition Adjustments.

C. When any property acquired as an operating unit or system includes duplicate or other utility 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.

D. 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.

E. In connection with the acquisition of utility 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 in accordance with the rules and regulations of the Commission governing the preservation and destruction of records of warehouse public utilities.

5. Components of Construction Cost

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

- 1) "Contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incidental to the award of such contracts, and the inspection of such work. It does not include the cost of work performed by the utility on the project, a part of which is performed by others under contract.
- 2) "Labor" includes the pay and expenses of employees of the utility engaged on construction work, and also workmen's compensation insurance, payroll taxes, payroll

welfare benefits 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 hereunder included in other items.

3) "Materials and supplies" includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, 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, \$25 or less) or of short life, including small portable tools and implements, shall not be charged to utility 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 the construction work, the cost shall be included as part of the cost of the construction unit.

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

5) "Special machine service" includes the cost of labor (optional), materials and supplies, depreciation, and other expenses incurred in the maintenance, operation and use of special machines, such as fork lifts or other labor-saving machines; also expenditures for rental, maintenance and operation of machines of others.

6) "Shop service" includes the proportion of the expense of the utility's shop department assignable to construction work.

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

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

9) "Privileges and permits" includes payments for and expenses incurred in securing temporary privileges, permits or rights in connection with construction work, such as for the use of private or public property, streets, or highways, but it does not include rents, or amounts chargeable as franchises and consents for which see Account 3102 Franchises or Consents.

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

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

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

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

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

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

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

17) "Interest during construction" includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. Interest during construction may be charged to the individual job upon which the funds are expended and, if so charged, shall be credited to Account 5805 Other Interest Charges. 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.

6. Overhead Construction Costs

A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by other than the accounting utility, law expense, 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 utility 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 utility 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 maintained as to show the total amount of each overhead expenditure charged to each construction work order and to each utility plant account, and the bases of distribution of such costs.

Note - See General Instruction 10, Distribution of Pay and Expenses of Employees.

7. Expenditures on Leased Property

A. The cost of substantial initial improvements (including repairs, rearrangements, additions and betterments) made in the course of preparing for utility service property leased for a period of more than one year, and the cost of subsequent substantial additions, replacements, or betterments to such property, shall be charged to the utility plant Account 3301 Leasehold Improvements.

... If the service life of the improvements is terminable by the action of the lease, then the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to account #7403 Plant Amortization and account 8403 Office Amortization, as appropriate. However, if the service life is not terminated by action of the lease but by depreciation proper, then the cost of the improvements, less net salvage, shall be accounted for as depreciable plant, (Accounts 7402 and 8402, as appropriate.)

... If improvements made to property leased for a period of more than one year are of relatively minor cost, or if the lease is for a period of not more than one year, the cost of the improvements shall be charged to the accounts in which the rent is included. (Accounts 7509 and 8509.)

8. Temporary Facilities for Lines (Temporary building and ...)

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

9. Land and Land Rights ...
"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, 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 to 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 or expense account.

D. 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 one 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, payments given or received, and 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 ownership entry recording its acquisition.

E. Any difference between the amount received from the sale of land or land rights, less agents' commissions and all other costs incident to the sale, and the book cost of such land or rights, shall be charged to Account 4114 Miscellaneous Debits to Surplus, or credited to Account 4102 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 and sold as a part of the same.

F. Entries to the utility plant accounts for limited-term interests in land shall make specific reference to the lease, contract or arrangements under which each interest is to be held or used, together with a concise statement of the terms of the lease, contract or assignment.

G. 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 utility operations, the land and improvements shall then be separately appraised and the cost allocated to land or to buildings and structures 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.

H. The cost of land acquired in excess of that used in utility operations shall be included in Account 1011 Other Physical Property.

I. When the purchase of land for utility operations requires the purchase of land not to be used for such purposes, the charge to the 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 used for utility operations. The fair market value of such land not used for utility operations shall be included in Account 1011 Other Physical Property.

J. When the purchase of land for utility operations requires the purchase of land not to be used for such purpose but held for such purpose, the charge to the land account shall be based upon the estimated cost of only that portion which is used for utility operations, and the cost of the remaining land shall be included in Account 1011 Other Physical Property.

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. (See Account 1006 Amortization Reserve--Utility.)

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

Bulkheads, buried, not requiring maintenance or replacements.

Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).

Clearing (first cost), the land, of brush, trees, and debris, also tree trimmings (first cost).

Consents and abutting damages, pay for conveyancers' and notaries' fees.

Fees, commissions and salaries to brokers, agents and others in connection with acquisition of the land or land rights.

Leases, cost of voiding upon purchase to secure possession of land.

Removing, relocating, or reconstructing property of others, such as buildings, highways, telephone and power lines, and the like, in order to acquire possession.

Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.

Surveys in connection with the acquisition of title. Taxes assumed, accrued to date of transfer of title. Title, examining, clearing, insuring, and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.

10. Land Improvements

"Land improvements" means such expenditures for the improvements of land as make it suitable for use in and of itself; and excludes expenditures to prepare it for the erection thereon of buildings or other structures.

B. The following list should be considered as indicative, (though not restrictive), of the character of items to be included in this account.

Items:

- Curbing
- Fencing and gates
- Grading survey
- Grading, for drive-or-walk-way purposes
- Gravel, railroad-track
- Landscaping, lawns, shrubbery, etc.
- Parking barriers
- Paving: driveway, sidewalk, etc.
- Spur; railroad-track, switch and bumper
- Striping, parking area
- Yard drainage system
- Yard lighting system
- Yard surfacing; gravel, concrete, or oil

11. Buildings and Structures

A. "Buildings and Structures" 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 structure 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 building.

C. "Structures" means permanent improvements to land other than land improvements, as defined in Instruction 10 above, and buildings.

- Direct Items of Cost:
 - (A) Buildings:
 - Air conditioning systems (not refrigerating) built-in.
 - Architects' plans.
 - Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and plumbing.
 - Bulkheads, riprap fill, piling, decking, concrete, fenders, and the like, when exposed and subject to deterioration and replacement.
 - Chimneys.
 - Commissions and fees to brokers, agents, architects and others.
 - Conduit (not to be removed) with its contents.
 - Damages to abutting property during construction.
 - Door checks and doorstops.
 - Drainage and sewerage systems.
 - Elevators, cranes, hoists, adjustable platforms, and the like, and the machinery for operating them.
 - Excavation, including shoring, bracing, bridging, refills, and disposal of excess excavated material.
 - Fire protection systems when forming a part of structure.
 - Floor covering (permanently attached).
 - Foundations and piers for machinery, constructed, as a permanent part of a building or other item herein listed.
 - Fuel tanks (heating).
 - Grading and clearing when directly occasioned by the building of a structure.
 - Heating Systems.
 - Insulation, ceiling, floor, wall.
 - Leases, cost of voiding to secure possession of structures.
 - Leased property, expenditures on
 - Lighting fixtures.
 - Painting first

Partitions, including movable partitions
 Permits and privileges
 Platforms, railings and gratings when constructed as part of a structure
 Powerboards for services to a building
 Retaining walls
 Screens
 Sprinkling systems
 Stacks - brick, steel or concrete, when set on a foundation forming a part of the general foundation and steelwork of a building
 Storm doors and windows
 Subways, maneways, and tunnels directly or indirectly connected to and forming part of a structure
 Vaults constructed as part of a building
 Water supply system for building
 Window shades
 Other (structures and improvements) for docks
 Gas and oil supply systems, including pipelines
 Sewer systems
 Trestles, conduits
 Water front improvements of wharves and piers
 Water supply piping, hydrants and valves

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 and structures

- (1) Do not include in the cost of buildings, lighting, heating, or other fixtures temporarily attached for the 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, and the like, installed at the base of an item of equipment, shall be charged to the same account as the cost of machinery, apparatus, or equipment.

12. Machinery and Equipment

"Machinery" or "equipment" means all items which by definition are includible in tangible utility plant other than land improvements, buildings and structures, as herein defined.

B. The cost of machinery or equipment, unless otherwise indicated in the text of a machinery or 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 (\$25 or less) or short life, unless the correctness of the accounting therefor is verified by periodic inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Humidifiers, hydrometers, thermometers, and similar tool equipment when used in connection with the operation and maintenance of particular plant or department, such as refrigerating machinery, quick-freeze room, or storage room, shall be charged to the plant account appropriate for their use.

D. The machinery and 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, with the exception of cold transmission pipes that may run from room to room, 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 thirty 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, and the like, guaranteed by manufacturers, made after operations have commenced and within the periods specified in the agreement or contract of purchase, may be charged to the appropriate utility plant account.

13. Additions and Retirements of Utility Plant

For the purpose of avoiding undue refinements in accounting for additions to and retirements and replacements of utility plant, all property shall be considered as consisting of (1) grouped property, (2) units of property, and (3) minor items of property.

B. Grouped Property

(1) When grouped property (that for which the accounting of depreciation or amortization is made under the group plan, as described in Account 1005 Instruction), is added to utility plant account, except that when units are acquired in the acquisition of any utility plant constituting an operating system, they shall be accounted for as provided in Utility Plant Instruction 4.

(2) When grouped property is retired from utility plant, with or without replacement, the book costs thereof shall be credited to the utility plant account in which it is included, determined in the manner set forth in paragraph E below. The book cost of the property retired and credited to utility plant shall be charged to the depreciation reserve, or to the amortization reserve provided for such property. (See paragraph H, below.)

C. Units of Property

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

(2) When a unit of property is retired from utility plant, with or without replacement, the book costs thereof shall be credited to the utility plant account in which it is included, determined in the manner set forth in paragraph E below. If the unit of property is of a depreciable class the book cost of the unit retired and credited to utility plant shall be charged to Account 9001 Unit Property Retirements - Clearing.

D. 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 C(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 is not replaced), the book cost thereof shall be credited to the utility plant account in which it is included; and in the event the minor item is a part of depreciable plant, Account 9001 Unit Property Retirements - Clearing shall be charged.

with the book cost, and the cost of removal, and it shall be 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 retirements clearing 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 purpose of which is to make the property affected more useful, more efficient, or of greater serviceability or capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate utility plant account.

Determination of book cost.

The book cost of utility plant retired shall be the amount at which such property is included in the utility 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.

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 land (less commissions and other expenses of making the sale) shall be credited to Account 4102 Miscellaneous Credits to Surplus, or debited to Account 4114 Miscellaneous Debits to Surplus, as appropriate.

If the land is not used in utility service, but is retained by the utility, the book cost shall be charged to Account 1011 Other Physical Property.

Utility plant sold.

When utility 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 utility plant accounts, including amounts carried in Account 1003 Utility Plant Acquisition Adjustments, and the amounts (estimated, if not known) carried with respect thereto in the depreciation and amortization reserve accounts shall be charged to such reserves.

Unless otherwise ordered by the Commission, the difference, if any, between (A) the net amount of debits and credits and (B) the consideration received for the property (less commissions and other expenses of making the sale) shall be credited to Account 4102 Miscellaneous Credits to Surplus or debited to Account 4114 Miscellaneous Debits to Surplus, as appropriate.

The service value of depreciable utility plant of the grouped property category retired from use shall be charged in its entirety to Account 1005 Depreciation Reserve - Utility. (See Instruction in Account 1005.)

The accrued depreciation of depreciable utility plant of the unit property category retired from use, as of the date of its retirement, shall be charged to Account 9001 Unit Property Retirements - Clearing. (Instruction in Account 1005.)

Any amounts which by approval or order of the Commission are charged to Account 1206 Extraordinary Property Losses, shall be credited to Account 1005 Depreciation Reserve - Utility, in the instance of utility plant of the grouped property category, and to Account 9001 Unit Property Retirements - Clearing, in the instance of utility plant of the unit property category, as appropriate.

I. The accounting for the retirement of amounts included in Account 3102 Franchises or Consents, and Account 3103 Other Intangible Plant, and the items of limited-term interests in land included in the account for land, shall be as provided for in the text of Account 1006 Amortization Reserve - Utility.

10. Additions and retirements of utility plant shall not be netted in the entries or in the posting of the entries.

14. Transfers of Property.

A. When property is transferred from one account for utility plant to another, from one utility department to another, such as from cold storage to merchandise storage, or from merchandise storage to motor carrier of property, or from a utility department to a nonutility department, such as from cold storage to ice department, or from one operating division or area to another, excepting as noted in paragraph B, 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 the depreciation or amortization reserves shall be transferred in accordance with the segregation of such reserves.

B. Temporary transfers of property may be recorded in appropriate memoranda, and need not be formalized in the general ledger or property ledger records.

15. Common Plant

A. If the utility is engaged in more than one utility service, such as cold storage and merchandise storage, or merchandise storage and carrier of property, or if a utility is engaged in utility and nonutility service, such as cold storage and ice manufacturing, or cold storage and food packing; or in agricultural storage and grain cleaning, drying, or polishing; and any of its utility plant is used in common for the services rendered, to such an extent and in such manner that it is impracticable to segregate it for accounting by services, such property may, upon approval by the Commission, be designated, classified and accounted as "Common Plant."

B. Utility plant designated as common 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 (3100 to 3391), the following: (1) the book cost of common plant, (2) the allocation of such cost to the respective departments using the common plant, and (3) the basis of such 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 plant.

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

16. Plant Districts

In accordance with the requirements of General Accounting Instruction II, when a warehouse utility segregates its utility operations into two or more operating areas under a common tariff, it shall maintain its utility plant and related depreciation reserve accounts in such form as to show separately for each operating area the plant investment and its related depreciation reserve.

17. Plant Departmentalization

As an aid in determining departmental operating results the records of each category of plant account shall provide appropriate departmental segregation of investment. The departments provided in these systems are as follows:

<u>Code</u>	<u>Title</u>
<u>Cold Storage Departments</u>	
1	Freezer
2	Cooler
3	Handling
4	Special Labor
5	Quick-Freezing
6	Refrigerating
7	Other Utility
8	Non-utility
9	Common
<u>Merchandise Storage Departments</u>	
1	Storage
3	Handling
7	Other Utility
8	Non-utility
9	Common
<u>Agricultural Storage Departments</u>	
1	Storage
3	Handling
7	Other Utility
8	Non-utility
9	Common

Title

Code

Gold Storage Department

Common
Non-utility
Other Utility
Refrigerating
Quick-Freezing
Special Labor
Handling
Cooler
Freezer

1101-0000

Nonferrous Storage Department

Common
Non-utility
Other Utility
Handling
Storage

1101-0000

Agricultural Storage Department

Common
Non-utility
Other Utility
Handling
Storage

1101-0000

STANDARD TRAIL UTILITY

TRAIL UTILITIES

Organization Expenses 1016

to transfer of plant cost for certain items... -we are authorized to establish and set up accounts for... UTILITY PLANT ACCOUNTS... account of of

3000 Public Utility Warehouse Plant Accounts

3100 Intangible Plant

3101 Organization Expenses of Intangible Plant

3102 Franchises or Consents

3103 Other Intangible Plant

3200 - 3391 Tangible Plant

3201 Land

3202 Land Improvements

3203 Buildings and Structures

3204 Refrigerating Machinery

3205 Storage Machinery and Equipment

3206 Handling Machinery and Equipment

3208 Furniture and Pictures

3209 Transportation Equipment

3210 Shop Tools and Equipment

3211 Other Tangible Plant

3301 Leasehold Improvements

3391 Utility Plant Purchased

to transfer of plant cost for certain items... -we are authorized to establish and set up accounts for... account of of... 4-19

UTILITY PLANT ACCOUNTS

INTANGIBLE PLANT

3101 Organization Expense

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

- | | |
|--|------|
| | 0000 |
| Items | |
| | 0000 |
| 1. Cost of obtaining certificates authorizing an enterprise to engage in the public utility business | 1000 |
| 2. Fees and expenses for incorporation | 2000 |
| 3. Fees and expenses for mergers or consolidations | |
| 4. Office expenses incident to organizing the utility | |
| 5. Stock and minute books and corporate seal | 0000 |

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 and 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. Where 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.

3102 Franchises or Consents

A. This account shall include amounts paid to a county or to a city government in consideration for franchises, consents or certificates, running in perpetuity or for a specified term of more than one year, together with the necessary and reasonable expenses incident to procuring such franchises, consents, or certificates or 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 intrinsic amount, as defined in paragraph A above, shall be charged to Account 5900 Miscellaneous Deductions from Income.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to Account 5900 Miscellaneous Deductions from Income, or to Account 1006 Amortization Reserve - Utility, as appropriate.

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

Note - Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

3103 Other 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 warehousing operations, and not specifically chargeable to Accounts 3101 or 3102.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to Account 5900 Miscellaneous Deductions from Income, or to Account 1006 Amortization Reserve - Utility, as appropriate.

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

TANGIBLE PLANT

3201 Land

This account shall include the cost of land and land rights used in utility operations. (See Utility Plant Instruction 9.)

3202 Land Improvements

This account shall include the cost in place of improvements to land, excluding those requisite for the construction of buildings or other structures. (See Utility Plant Instruction 10.)

3203 Buildings and Structures

This account shall include the cost in place of buildings or other structures used in warehouse utility operations. (See Utility Plant Instruction 11.)

3204 Refrigerating Machinery

This account shall include the cost in place of all machinery and equipment requisite for the production and circulation of cold-producing refrigerant.

The following list of items should be considered as indicative (though not restrictive) of the character of items to be included in this account.

- Accumulator, low pressure ammonia
- Accumulation tank
- Air dehydrator and equipment
- Air compressor and motor
- Ammonia connections
- Benches
- Boilers and piping
- Can agitating system
- Coils
- Cold diffusers
- Compressors, air, ammonia, etc., primary or booster
- Condensers, ammonia
- Conduit, ammonia lines; outside, overhead or underground
- Control boards
- Control valves
- Controls, thermostatic
- Cooling tower
- Cooling unit
- Crane and hoist
- Desuperheater
- Diffusers
- Dump and filling equipment
- Engine, auxiliary
- Evaporators
- Fans
- Gauges; pressure, temperature, vacuum
- Insulation, pipe
- Intercooler, air
- Motors, electric
- Oil trap
- Ozone generator
- Panels
- Piping; air, ammonia, water
- Pond, spray
- Precooler
- Pumps, ammonia recirculating, brine
- Purger
- Receiver, ammonia
- Recording equipment
- Refrigeration units, complete
- Scales, bench
- Signal and alarm systems
- Switches, safety
- Tank, agitator
- Tank, evaporator
- Tanks, drain, elevated, pressure
- Testing facilities
- Transformers

Items - Continued

- Turbines
- Water circulating equipment
- Water softening equipment
- Wells, water; with casing, pumps, motors
- Wiring, electric

3205 Storage Machinery and Equipment

This account shall include the cost in place of machinery and equipment utilized in the performance of the storage function of warehousing service. It shall exclude machinery and equipment used in the handling-in or handling-out of the goods or products stored.

The following list of items should be considered as indicative (though not restrictive) of the character of items to be included in this account:

- | Items |
|--|
| Air conditioning equipment, or systems, portable |
| Air filtering equipment |
| Blowers, portable |
| Cooler fan |
| Fans |
| Fire extinguishers; chemical, sand, etc. |
| Fogging machine |
| Heaters, portable space |
| Incinerator |
| Pallets |
| Racks |
| Snow dump buggy |
| Stacking irons |
| Sweeper, power |
| Vacuum cleaner |

3206 Handling Machinery and Equipment

This account shall include the cost in place of all machinery and equipment requisite for the handling-in and handling-out or other movement of the goods or products stored. It also shall include machinery or equipment requisite for the performance of special services on the goods or products stored.

The following list of items should be considered as indicative, (though not restrictive), of the character of items to be included in this account:

- Banding equipment, steel
- Batteries, storage
- Battery charger
- Block, chain

Items - Continued

- Carloaders, electric
- Compress, high density
- Conveyors, belt, gravity, sectional
- Dip tank and basket
- Deck boards
- Drum handling equipment
- Elevators, portable
- Escalators
- Fork lifts, trucks, electric, gasoline, propane
- Gang planks
- Hand trucks
- Hoists
- Hopper, receiver and
- Hydraulic truck levelers and pits
- Jack lift
- Ladders, lift
- Pallet dollies, jacks
- Piler, heavy duty
- Platforms
- Portable fencing
- Ramps
- Scales; Lift truck, platform, portable
- Separators
- Sewing machines
- Side Shift device
- Skids
- Stabilizer press
- Stacking equipment
- Steel plates
- Stenciling machines
- Strap cutters
- Tape machine
- Tarpaulins
- Tractors
- Transporters, motorized

3208 - Furniture and fixtures

This account shall include the cost in place of all furniture and fixtures, including office equipment. The furniture, fixtures and office equipment shall all be included in this one plant account, regardless of the location at which, or the purpose for which it is used.

The following list of items should be considered as indicative (though not restrictive) of the character of items to be included in this account:

- Building equipment
- Electric equipment
- Electric power
- Electric lighting
- Electric heating

Items
 Transportation Equipment 2502

Accounting machines
 Adding machines
 Addressograph
 Air-tube system
 Bookkeeping machines
 Cabinets
 Calculators
 Cash registers
 Chairs
 Check writers
 Clocks
 Coat racks
 Copying machines
 Couch
 Desks
 Dictating machines
 Drinking fountains
 Drapes
 Duplicators
 Envelope cutter (opener)
 Exposure unit
 Files
 Gas range
 Graphotype machine
 Index systems
 Intercommunication systems
 Lockers, dressing
 Lounges
 Mailing machines
 Mimeograph machines
 Padding press
 Perforators
 Photographic equipment
 Postal meters
 Posting cabinet
 Refrigerators (domestic)
 Rugs
 Safes
 Scales, postal
 Sinks
 Stands, typewriter
 Tape recorders
 Thermofax
 Time clocks
 Time stamps
 Transcribing machines
 Trays
 Typewriters
 Vending machines
 Waste baskets
 Water coolers
 Window blinds

3209 Transportation Equipment

This account shall include the cost, delivered, of automobiles and trucks, together with accessories, used in connection with the warehousing business.

The following items should be considered as indicative (though not restrictive) of the character of items to be included in this account.

Items	
Automobiles	Tractors
Dollies, truck	Trailers, semi and full-
Gates, power, for trucks	Trucks

3210 Shop Tools and Equipment

This account shall include the cost, delivered, of tools and equipment employed by the utility in the maintenance, repair, alteration or construction of its warehouse buildings, structures, machinery or equipment.

The following items should be considered as indicative (though not restrictive) of the character of items to be included in this account.

Items	
Air wrench and sockets	Jointer
Anvil	Lathes
Analyzer, motor	Masks, gas
Battery charger	Micrometer
Benches, work	Milling machine
Bins	Polisher, electric
Carpenter tools	Power saw
Compressor, air	Pumps; gasoline; grease, oil
Chain blocks	Racks
Chipper	Reamers
Crane, power	Sand blasting machines
Creepers	(Sander)
Dolly	Saw, swing
Drills	Scaffolding
Drill press, vertical	Shaper
Fender tools	Shelving, steel
Floor machine, electric	Shop car, motorized
Floor striper	Sprayer, electric
Grinder	Stand, motor
Guns; grease, paint	Steam cleaner
Hack saw, power	Tank; air pressure; gasoline storage
Hammer, electric	Timing light
Hand screw press	Valve grinder
Headlight tester	Vise
Hoist, overhead chain	Welders; electric; oxy-acetylene
Hone, wheel cylinder	Welding gauge
Jacks	Welding generator
Jackhammer	Wheel puller

3211 Other Tangible Plant

This account shall include the cost of tangible utility plant which, by definition, is not includible in any of plant accounts numbered 3201 to 3210, inclusive.

3301 Leasehold Improvements

This account shall include the cost of improvements for warehousing purposes to leased property, such as buildings and other structures; or additions, alterations, fixtures or machinery thereto affixed.

The account shall be maintained in such manner as to show an analysis or description of the improvements, together with its leasehold life and estimated service value. (See Definition 6; Account 1006 Instruction; and Utility Plant Instruction 7.)

The character of items included in this plant account category is indicated in the item lists shown under the definitions of utility plant accounts numbered 3202 to and including 3205.

Note - If ownership title of the leasehold improvements does not pass from the warehouse utility to the lessor upon termination of the lease, such improvements shall be charged, according to character and function, to the appropriate plant account, and the service life thereof depreciated in accordance with instructions for the accounting of depreciation of company-owned plant.

3391 Utility Plant Purchased.

A. This account shall include the cost of utility 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 Utility Plant Instruction 4.

B. Within six 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.

3311 Other Tangible Plant

This account shall include the cost of tangible utility plant which, by definition, is not includable in any of plant accounts numbered 3301 to 3310, inclusive.

3301 Leasehold Improvements

This account shall include the cost of improvements for warehousing purposes to leased property, such as buildings and other structures; or additions, alterations, fixtures or machinery thereto attached.

The account shall be maintained in such manner as to show an analysis or description of the improvements, together with its leasehold life and estimated service value. (See Definition of Account 1006 Instruction; and Utility Plant Instruction 7.)

The character of items included in this plant account category is indicated in the item lists shown under the definitions of utility plant accounts numbered 3302 to and including 3307.

Note - If ownership title of the leasehold improvements does not pass from the warehouse utility to the lessor upon termination of the lease, such improvements shall be charged, according to character and location, to the appropriate plant account, and the service life thereof depreciated in accordance with instructions for the accounting of depreciation of company-owned plant.

3307 Utility Plant Purchased

A. This account shall include the cost of utility 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 Utility Plant Instruction 4.

B. Within six 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.

INSTRUCTIONS - EARNED SURPLUS ACCOUNTS

This account shall include the net debit balance... Purpose of Earned Surplus Accounts

"Earned Surplus" is the title of a collective account recording the warehouse utility undistributed increment from operating or other earnings or decrements from losses.

The account shall provide segregation of transactions through the use of analytical subaccounts 4101 to 4114, inclusive.

Exception to its use for this purpose occurs in certain instances where Account 2005 Proprietary Capital, is used for the recording of sole proprietorship or partnership increment or decrements.

(See Balance Sheet Account 2005, Para. B, C)

All items included in this account shall be as shown in the schedule relating thereto. It has WAREHOUSE EARNED SURPLUS ACCOUNTS.

4101 Credit Balance Transferred from Income Account

4102 Miscellaneous Credits to Surplus

4111 Debit Balance Transferred from Income Account

4112 Dividend Appropriations - Preferred Stock

4113 Dividend Appropriations - Common Stock

4114 Miscellaneous Debits to Surplus

Dividends shall be segregated as to those payable in cash and other forms. The medium of payment shall be described with sufficient particularity to identify it.

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

EARNED SURPLUS ACCOUNTS

CREDITS

4101 Credit Balance Transferred from Income Account

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

4102 Miscellaneous Credits to Surplus

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. The finally-determined net gain upon retirement from use of utility property depreciated by the unit method, transferred from Account 9001. (See General Ledger Account 1204.)

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

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

DEBITS

4111 Debit Balance Transferred from Income Account

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

4112 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. The account shall be maintained or supported in such manner as to show separately the dividends on each class and series of preferred stock.

4113 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.

4114 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 hereto charged are:

Reservations or appropriations of earned surplus for purposes not elsewhere provided.

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

A decline in the value of investments. (See Balance Sheet Instruction 4.)

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

Payments of amounts previously credited to earned surplus.

The finally-determined net loss upon retirement from use of utility property depreciated by the unit method, transferred from Account 9001. (See General Ledger Account 1204.)

Losses on retirements of the utility's debt securities. (See Balance Sheet Instruction 6.)

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

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

NOTE split or spend.
refers to prior years the amount allocated to such accounts
initially from which all accounts derived, and if the change
initially derived in the earlier periods referred to as
B. All items included in this account split as

split proceeds.
expenses of income and for which receipts have not
passed which are not directly applicable to operating

(See balance sheet instruction 2.)
losses on retirement of the utility's own securities.

Account 1504*)
"Reserve for Account 600". (See General Ledger
of Utility Property Schedule for the unit volume.
The financial statement of loss upon retirement item see
ending.

Balance of unsplit proceeds credited to various
instructions of

operating expenses accounts as provided in General
Balance sheet to income statement volume, and

Split instruction 2.)
A section in the name of investments. (See balance

instructions and instructions, but provisionally provided.
volume charged to various items to cover past account

balances not otherwise provided.
Reservations of administration of various ending for

Items which split as noted charges are:
Operating ending not yet provided for elsewhere. Items are

A. This account split include unsplit charges as

Other miscellaneous items as ending

and series of common stock.

such number as to show separately the dividends on each class
C. This account split as indicated or indicated in

Instructions as generally it.

beginning of balance split as provided with interest
in each stock and split items. It not divide in each. The

B. Dividends split as indicated or as those items

the amounts credited to a reserve for dividends.

Operating common ending stock items in the utility, or
divided out of ending or ending as dividends or generally

A. This account split include unsplit charges

Other miscellaneous items - Common Stock.

SECTION VI

INSTRUCTIONS - INCOME ACCOUNTS 0012

1. Purpose of Income Accounts 0022

The income accounts (5100 to 5900), are designed to show the operating revenues, operating expenses, other income and income deductions of the warehouse utility, for each month, cumulatively, and for the accounting year. 0032

2. Records for Other Income 0042

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. 0052

3. Income from Special Funds 0062

A. Interest and other revenues derived from funds carried in Account 1401 Special Funds, shall be credited to Account 5700 Other Income.

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. 0072

C. When income derived from sinking or 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 5900 Miscellaneous Deductions from Income, or Account 4114 Miscellaneous Debits to Surplus, as appropriate. 0082

4. Income by Districts 0092

In accordance with the requirements of General Accounting Instruction 11, when a warehouse utility segregates its utility operations into two or more operating areas under a common tariff, it shall maintain its utility income (summary) accounts in such form as to show separately for each operating area, its utility income.

WAREHOUSE INCOME ACCOUNTS

IV ACCOUNTS

Warehouse Public Utility

STWUOJDA EROONI - SWOITOURZKI

5100 Operating Revenues

5200 Operating Expenses

Other Public Utility Operating Revenues

5300 Other Public Utility Operating Revenues

5400 Other Public Utility Operating Expenses

Nonutility Operating Revenues

5500 Nonutility Operating Revenues

5600 Nonutility Operating Expenses

Other Income

5700 Other Income

Gross Income

Income Deductions

5801 Interest on Long-Term Debt

5802 Amortization of Debt Discount and Expense

5803 Amortization of Premium on Debt

5804 Interest on Debt to Associated Companies

5805 Other Interest Charges

5900 Miscellaneous Deductions from Income

Accounting instructions

INCOME ACCOUNTS

5100 Warehouse, Utility, Operating Income
Under this caption shall be included the total warehouse utility operating revenues shown in the primary revenue Accounts 6011 to 6399, inclusive, as they are shown in the charts for Agricultural, Cold Storage, and Merchandise Storage warehouses.

5200 Operating Expenses
Under this caption shall be included the total warehouse utility operating expenses shown in the primary expense Accounts 7010 to 8699, incl., as they are shown in the charts for Agricultural, Cold Storage, and Merchandise Storage warehouses.

5300 Other Public Utility Operating Revenues
Under this caption shall be included the total operating revenues derived from other public utility operations, as shown in the primary revenue accounts prescribed for such public utilities.

5400 Other Public Utility Operating Expenses
Under this caption shall be included the total operating expenses incurred for other public utility operations as shown in the primary expense accounts prescribed for such public utilities.

5500 Nonutility Operating Revenues
Under this caption shall be included the total operating revenues derived from nonutility operations, as shown in the utility's nonutility income accounts.

5600 Nonutility Operating Expenses
Under this caption shall be included the total operating expenses incurred for nonutility operations, as shown in the utility's nonutility expense accounts.

5700 Other Income
A. This account shall include investment income and income not derived from utility, or nonutility operations, as provided for recording in Accounts 5100, 5300, and 5500.
B. Dividend and interest revenue derived from sinking and other funds reflected in Accounts 1031, 1041, 1107 and 1111, shall herein be credited.

C. If the revenue derived from special or sinking funds is required to be retained in those funds, and the funds are represented by a surplus reserve, the following additional entry shall be made concurrently with the recording of interest or dividend accretions:

DEBIT: Account 4114 Miscellaneous Debits to Surplus
CREDIT: Account 2313 Other Reserves

INCOME DEDUCTIONS

5801 Interest on Long-Term Debt
This account shall include in each accounting period the amount of interest applicable thereto on outstanding long-term debt issued for assumed by the utility.

B. The amount of interest accrued charged to this account shall be credited concurrently to Account 2222 Other Current and Accrued Liabilities
The account shall be so maintained 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
5802 Amortization of Debt Discount and Expense

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

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

C. The amount of discount and expense write-offs charged to this account shall be credited concurrently to Account 1201 Unamortized Debt Discount and Expense
5803 Amortization of Premium on Debt

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

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

C. The amount of debt premium write-offs credited to this account shall be charged concurrently to Account 2301 Unamortized Premium on Debt.

5804 Interest on Debt to Associated Companies

A. This account shall include all interest accrued on debt to associated companies.

B. The account shall be so maintained as to provide segregation of interest accruals on the amounts included in:

Account 2102 Advances from Associated Companies
Account 2211 Accounts Payable - Associated Companies

C. Entries to this account shall be supported by explicit computation data.

5805 Other Interest Charges

A. This account shall include all interest charges not provided for in Accounts 5801 and 5804, such as:

Interest on short-term loans
Interest penalties on delinquent taxes

The account also shall include credits for interest during construction, when this is accounted.

B. Entries to this account shall be supported by explicit computation data, and shall be segregated as to nature.

5900 Miscellaneous Deductions from Income

A. This account shall include charges to income not provided for in Accounts 5801 to 5805, inclusive. Some of the transactions herein to be entered are:

Annual or periodic fees paid to trustees and fiscal agents for duties performed in connection with the utility's mortgages and funded debt.

Expenditures for associated companies for which the utility will not be reimbursed.

Decline in value of investment. (See Balance Sheet Instruction 4.)

Decision in view of investment. (See Balance Sheet Instruction 4.)

Utility will not be included. For the purpose of the expenditure for which the

utility's services are being used. Accounts for utility services in connection with the annual or periodic fee bill to transfer and direct

the transactions should be as follows:

provided for in Accounts 2601 to 2604, inclusive. Some of

A. This account shall include charges to income tax

2600 Miscellaneous Deductions from income

status. B. Estimated this account shall be included as to

during construction, when this is accounted. The account also shall include credits for interest

interest deduction on delinquent taxes interest on short-term issue

not provided for in Accounts 2601 and 2604, such as:

A. This account shall include all interest charges

2602 Other Interest Credits

explicit contribution paid.

C. Entries to this account shall be credited by

Account 2601 Accounts Payable - Associated Companies Account 2605 Advances from Associated Companies

• Allocation of interest payments on the amount received for:

B. The account shall be as follows as to interest

on debt to associated companies.

A. This account shall include all interest received

2604 Interest on Debt to Associated Companies

SECTION XI

INSTRUCTIONS

1. Purpose of Operating Revenue Accounts

The operating revenue accounts (6900 to 6999) are designed to show the amounts of money which the utility becomes entitled to receive from furnishing storage and handling utility services, and from services thereto incidental.

2. Scheme of Operating Revenue Account Enumeration

The subject matter of the agricultural storage revenue accounts shall be enumerated in a basic four-integer system as follows:

(Reading left-to-right)

Integers are used to designate the following classes of revenues:

Class	Type	Department
First Integer		
Second Integer		
Third Integer		
Fourth Integer		

First Integer

Number: 6 Indicates: warehouse operating revenues

Second Integer

Number: 9 Indicates: agricultural storage

Third Integer

Number: 1, 2, 3, 4, 5 Indicates: Storage Department, Handling Department, Special Handling Department

Fourth Integer

Number: 1, 2 Indicates: basic tariffs revenues, accessorial revenues correlated to basic tariff revenue

IX NOITCOE2

3. Basis of Credits to Operating Revenue Accounts

Credits to the operating revenue accounts shall be made on the basis of the amount charged. Corrections of over-charges and over-collections, authorized abatements, and allowances and other corrections shall be charged to the revenue accounts originally credited.

4. Supporting Records

Each utility shall maintain the records supporting the entries to each warehouse revenue account that it can furnish (1) the name of each customer, (2) a description of each service furnished, (3) the tariff rate schedule upon which the charge is based, and (4) the amount charged for each service.

5. Revenue Districts

In accordance with the requirements of General Accounting Instruction 11, when a warehouse utility segregates its utility operations into two or more operating areas under a common tariff, it shall maintain its utility revenue accounts in such form as to show separately for each operating area, the operating revenue.

6. Segregation of Sales to Associated Companies

The utility shall maintain its records in such manner as to be able to report the amount of sales to associated companies, segregated by revenue classifications.

7. Departmental Code

Operating revenue accounts are designed and codified to aid in providing departmental operating results. The departments provided in this system are as follows:

- | | |
|-----------------|--|
| 1 Storage | |
| 3 Handling | |
| 7 Other Utility | |
| 8 Nonutility | |
| 9 Common | |

SECTION ON AGRICULTURAL STORAGE REVENUE ACCOUNTS

1926

AGRICULTURAL STORAGE REVENUE ACCOUNTS

A. This account shall include credits from revenue derived from the sale of agricultural products (including storage) and from the sale of agricultural products (including storage) and from the sale of agricultural products (including storage).

B. When the account includes storage and handling charges, the accounting shall follow the provisions of the following:

6911 Storage

6931 Handling

6932 Handling-Accessorial Services

C. This account shall include credits from revenue derived from the sale of agricultural products (including storage) and from the sale of agricultural products (including storage) and from the sale of agricultural products (including storage).

(1) received from the warehouse and other points of receipt to the storage area.

(2) shipped from the warehouse and other storage area, and

(3) from shipping through services.

Handling-Accessorial Services

A. This account shall include credits from revenue derived from the sale of agricultural products (including storage) and from the sale of agricultural products (including storage) and from the sale of agricultural products (including storage).

B. Should the accounting with respect to the following activities be necessary to handling operations, the following sub-account titles may be used:

- Special labor
- Freight
- Weighting
- Tagging
- Sampling
- Grading

AGRICULTURAL STORAGE, OPERATING REVENUE ACCOUNTS

6911 Storage

A. This account shall include credits for revenue derived from the tariff item(s) service providing for the furnishing of storage space.

B. When the tariff includes storage and handling in a single rate, the accounting may follow the provisions of the tariff.

6931 Handling

This account shall include credits for revenue derived from the tariff item services providing for the movement of products:

- (1) received from the warehouse pit, dock or other point of receipt to the storage area,
- (2) shipped from the warehouse tanks, bins, or other storage area, and
- (3) from shipping through services.

6932 Handling Accessorial Services

A. This account shall include credits from revenue derived from the tariff item services or from other service charges connatural or accessory to handling operations.

B. Should the accounting utility elect to provide accounting analysis of tariffed accessorial activities, the following sub-account titles may be used:

Sacking
Sampling
Tagging
Weighing
Fumigating
Special labor

SECTION XII

INSTRUCTIONS

AGRICULTURAL STORAGE OPERATING EXPENSE ACCOUNTS

1. Purpose of Operating Expense Accounts

The operating expense accounts (7000 to 8999) are designed to show the cost of furnishing all warehousing services, primary and auxiliary.

2. Account Charts Classified

A. Operating expense charts are provided in this system for the following classes of agricultural storage warehouse utilities (defined in General Instruction 1).

Type	Class
Agricultural Storage	A
Agricultural Storage	B

B. In general, Class B operating expense accounts consist of consolidations of the expense elements included in certain groups of Class A operating expense accounts, effected for the purpose of accounting simplicity.

C. The appropriate descriptive definition of each Class B operating expense account may be determined by reference to the definitions of the Class A operating expense accounts of which they consist, given in the following pages.

D. The chart on page 12-7 shows the Class A operating expense accounts included in their Class B counterpart.

3. Functional Pattern of Accounts

The agricultural storage operating expense accounts consist of two general groups, designed to provide (1) operating expenses of the two major warehousing functions - storage and handling - and (2) to provide the indirect operating expenses of solicitation, administration and general expenses.

4. Scheme of Operating Expense Account Enumeration

The subject matter of the agricultural storage operating expense accounts shall be enumerated in a basic four-integer system as follows:

(Reading left-to-right)

INVOICE
Integers

First Second Third Fourth

Class Function Department Detail

First Integer

Number:

7

Indicates: warehouse plant operating expenses

8

solicitation, administrative, and general expenses

Second Integer

Number:

0

Indicates: salaries and wages

1

payroll benefits expenses

2

materials and supplies, excepting

3

5 and 6 maintenance and repairs

4

recurring journalized expenses

5

special expense accounts

6

additional special expense accounts

Third Integer

Number:

0

Indicates: not assigned to a department

1

Storage Department

3

Handling Department

Fourth Integer

The significance of the fourth integer varies with each of the six functions (Second Integer) and two general expense classifications (First Integer). See the definitions of the following agricultural storage operating expense accounts for applications of use of the fourth integer:

7100	7402	8100	8401	8402
7200	7404	8200	8404	
7300		8300	8502	8506

The fourth integer also is used to indicate types of labor, as follows:

Number:	Indicates:
0	warehouse wages
1	clerical salaries
3	maintenance wages
4	supervisory salaries
5	solicitation salaries
6	administrative salaries

5. Inter-Department Allocations

A. Agricultural storage warehouse utilities also engaged in other public utility and/or non-utility business, may allocate the expenses of utilizing certain building, machinery and equipment (which may or may not be classified as common plant). (See Plant Instruction 15.)

B. Similarly, agricultural storage warehouse utilities engaged in multiple business activities also may allocate certain other plant operating expenses such as, for example, electricity, shops expenses, insurance, or certain other operating expenses falling within the solicitation, administration or general categories, between the departments or activities.

In the instance of every inter-department expense allocation, the utility shall maintain and preserve explicit detailed records of explanation of methods utilized, including memoranda of the accounting period(s) during which each such method is given effect.

6. Salaries and Wage Distributions

The utility shall maintain and preserve explicit records of the distribution of employees' time, and of the methods of the distribution of such time, together with notes of the accounting periods during which each method is given effect.

7. Depreciation Methods

A. The utility shall maintain and preserve explicit detailed records of depreciation methods and computations.

B. Accruals shall be segregated identically with the utility property classifications.

8. Insurance Records

A. The utility shall maintain and preserve explicit detailed records of insurance policies and premiums, classified as to types of protection.

B. The insurance register shall be designed in such a manner as to provide the effective periods of policies, the monthly premium expirations or accruals, and the departmental account distribution of such premiums.

9. Tax Records

A. The utility shall maintain and preserve explicit detailed records of taxes paid or accrued.

B. The taxes register shall be designed in such a manner as to provide a classification of tax expenditures by source of tax authorities and a record of monthly expirations or accruals.

C. Class A agricultural storage utilities shall segregate such taxes according to utility plant classifications, basing departmental apportionments upon the corresponding book-recorded (original) cost of the respective plant categories.

10. Clearing Accounts, Optional

The use of clearing Accounts 9002 and 9003 shall be optional.

If the utility elects not to use either or both of these clearing accounts, then the same expenses which would be chargeable to each of Accounts 9002 and 9003, respectively, shall be distributed as follows:

Instead of: Distribute expenses as appropriate to:

Account 9002 Account 8502 Administrative Expenses

Account 9003 Account 7300 Plant Maintenance and Repairs
Account 8300 Office Maintenance and Repairs

11. Office Space Expenses

When an agricultural storage warehouse utility appropriates a relatively small area (in comparison to its total space occupancy), for the administrative functions of its business, it may elect to omit distributing the elements of office space expenses to Accounts 8300 and 8402, permitting such elements to remain (undistributed) in Accounts 7300 and 7402, respectively.

12. Operating Expenses by Districts

In accordance with the requirements of General Accounting Instruction 11, when a warehouse utility segregates its utility operations into two or more operating areas under a common tariff, it shall maintain its utility expense accounts in such form as to show separately for each operating area, the operating expenses.

the utility shall maintain its utility accounts in such form as to show separately for each operating area, the operating expenses.

the utility shall maintain its utility accounts in such form as to show separately for each operating area, the operating expenses.

AGRICULTURAL STORAGE WAREHOUSE EXPENSES
 DIRECT OPERATING EXPENSE ACCOUNTS

Plant Expenses	7000
Storage Wages	7010
Handling Wages	7030
Warehouse Accessorial Wages	7050
Plant Maintenance and Repair Wages	7003
Supervisors and Foremen Salaries	7007
Plant Payroll Expenses	7100
Plant Materials, Supplies and Services	7200
Plant Maintenance and Repairs	7300
Plant Depreciation	7400
Plant Taxes	7500

AGRICULTURAL STORAGE WAREHOUSE EXPENSES

DIRECT OPERATING EXPENSE ACCOUNTS

7000	Plant Expenses
7010	Storage Wages
7030	Handling Wages
7050	Warehouse Accessorial Wages
7003	Plant Maintenance and Repair Wages
7004	Superintendent and Foremen Salaries
7100	Plant Payroll Expenses
7200	Plant Materials, Supplies and Services
7300	Plant Maintenance and Repairs
7402	Plant Depreciation
7404	Plant Taxes

AGRICULTURAL STORAGE WAREHOUSE EXPENSES

AGRICULTURAL STORAGE WAREHOUSE EXPENSES

CLASS B AGRICULTURAL STORAGE WAREHOUSE EXPENSES

AGRICULTURAL STORAGE WAREHOUSE EXPENSES

INDIRECT OPERATING EXPENSE ACCOUNTS

Account Number	Description	Amount
8000	ADMINISTRATIVE AND GENERAL EXPENSES	7000
8001	General Office Salaries	7100
8006	Administrative Salaries	7300
8100	Payroll Expenses - Office	7300
8200	Office Materials, Supplies and Services	7400
8300	Office Maintenance and Repairs	1000
8401	General Insurance	8000
8402	Office Depreciation	8000
8404	General Taxes, Licenses and Permits	8100
8502	Administrator Expenses	8200
8506	General Expenses	8400
8403	Office Depreciation	8400
8404	Taxes, Licenses and Permits	8500
8502	Administrator Expenses	8500
8506	General Expenses	8500

CLASS B

AGRICULTURAL STORAGE OPERATING EXPENSE ACCOUNTS

	<u>TITLE</u>	<u>CORRESPONDING CLASS A ACCOUNTS</u>
	PLANT EXPENSES	
7000	Warehouse Wages	7010; 7030
		7050; 7003
		7004
		1008
7100	Plant Payroll Expenses	7100
		8008
7200	Plant Materials, Supplies and Services	7200
		0018
7300	Maintenance and Repairs	7300; 8300
		0058
7402	Plant Depreciation	7402
		0028
	ADMINISTRATIVE AND GENERAL EXPENSES	
		1048
8001	General Office Salaries	8001
		8048
8006	Administrative Salaries	8006
		8048
8100	Payroll Expenses - Office	8100
		8028
8200	Office Materials, Supplies and Services	8200
		8028
8401	Insurance	8401
8402	Office Depreciation	8402
8404	Taxes, Licenses and Permits	7404; 8404
8502	Administrative Expenses	8502
8506	General Expenses	8506

CLASS A OPERATING EXPENSE ACCOUNTS

PLANT EXPENSE ACCOUNTS

7010 Storage Wages

This account shall include the distributed cost of warehousemen's labor employed in the housekeeping required for the preservation of commodities or products stored, or for the purpose of making additional storage space.

The account also shall include labor employed to clean up storage areas.

7030 Handling Wages

This account shall include the distributed cost of warehousemen's labor employed:

(1) to move commodities or products from the warehouse dock, pits or other points of receipt to the storage area, piled, stacked or binned; or to the processing area when products are received for special handling services, or for shipping through services;

(2) to remove commodities or products from the warehouse.

7050 Warehouse Accessorial Wages

This account shall include the distributed cost of warehousemen's labor employed for such tariffed accessorial tasks as:

- (1) sacking,
- (2) sampling,
- (3) tagging,
- (4) weighing,
- (5) fumigating, and
- (6) other special labor.

7003 Plant Maintenance and Repair Wages

A. This account shall include the distributed cost of wages paid warehousemen or other warehouse plant employees, for time devoted to the maintenance or repair of warehouse property.

B. The accounting utility may distribute directly, or allocate upon some reasonable basis, such property maintenance wages, for departmental cost determination. If such accounting is adopted, the following account titles may be used:

Plant Maintenance and Repair Wages - Storage
Dept.

Plant Maintenance and Repair Wages - Handling
Dept.

C. If the accounting utility elects to use the clearing Account 9003 Shop Expenses - Clearing, it shall not use Account 7003 Plant Maintenance and Repair Wages. (See Account 1205 Instruction)

7004 Superintendent and Foremen Salaries

A. This account shall include the distributed cost of salaries paid to warehouse superintendent(s) and foremen, for services rendered as leadermen or for plant supervision.

B. The accounting utility may elect to allocate this account upon some reasonable basis, for departmental cost determination. If such accounting is adopted, the following account titles may be used:

- Superintendent and Foremen Salaries - Storage
Dept.
- Superintendent and Foremen Salaries - Handling
Dept.

7100 Plant Payroll Expenses

A. This account shall include the distributed cost of the warehouse laborers', foremen's and superintendent's payroll benefit expenses, consisting of the following items, which may be segregated under the sub-accounts indicated:

- State Unemployment Insurance
- Federal Insurance Contributions Act Taxes
- Federal Unemployment Excise Tax
- Compensation Insurance
- Pension Fund Contributions
- Welfare Fund Contributions
- Medical-Hospitalization Insurance
- Life Insurance Participation Premiums

B. The accounting utility may distribute directly or allocate upon some reasonable basis, such payroll expenses for departmental cost determination. If such accounting is adopted, the following sub-account titles may be used.

Plant Payroll Expenses-Storage Department
Plant Payroll Expenses- Handling Department

7200 Plant Materials, Supplies and Services

A. This account shall include the distributed cost of warehouse plant (as distinguished from general office) materials, supplies and services.

B. The accounting utility may distribute such expenditures directly, whenever possible, and otherwise by allocation upon some reasonable basis, for departmental cost determination. If such accounting is adopted, the following account titles may be used:

- Plant Materials, Supplies and Services - Storage Dept.
- Plant Materials, Supplies and Services - Handling Dept.

C. The following items should be considered as indicative (though not restrictive) of the character of items herein to be included:

- Electricity - power for handling machinery
- Fuel (gasoline or propane) for fork lifts
- Lubricants for fork lifts, conveyors, etc.
- Stenciling supplies
- Rent for use of warehouse plant and/or office land, buildings, machinery or equipment not owned by the accounting utility
- Amortization on warehouse buildings or building improvements constructed on leasehold premises

7300 Plant Maintenance and Repairs

A. The accounting utility may distribute such expenditures directly, whenever possible, and otherwise by allocation upon some reasonable basis, for departmental cost determination. If such accounting is adopted, the following account titles may be used:

Plant Maintenance and Repairs - Storage Department
 Plant Maintenance and Repairs - Handling Department

B. The following items should be considered as indicative (though not restrictive) of the character of items herein to be included:

Items

- Paints and other supplies and small tools purchased for the maintenance of warehouse buildings and grounds. Storage Dept.
- Ditto Handling Dept.
- Services contracted for the maintenance of warehouse buildings and grounds. Storage Dept.
- Services contracted and replacement parts and small tools purchased for the repair of fork lifts, elevators, conveyors, and other handling equipment.

C. If the accounting utility elects to use the clearing Account 9003 Shop Expenses - Clearing, distributions therefrom pertaining to warehouse plant maintenance and repairs (as distinguished from general office buildings maintenance and repairs), shall be charged to this account. (See Account 1205 Instruction.)

7402 Plant Depreciation

A. This account shall include the distributed accrual of depreciation on warehouse buildings, machinery and equipment.

B. The accounting utility may maintain a departmental accounting segregation of warehouse plant (as distinguished from general office) depreciation expense in accordance with the following account titles:

Plant Depreciation - Storage Department

Plant Depreciation - Handling Department

7404 Plant Taxes

A. This account shall include the distributed cost of real and personal property taxes on warehouse land, buildings, machinery and equipment.

B. The accounting utility may maintain a departmental accounting segregation of warehouse plant (as distinguished from general office) real and personal property taxes in accordance with the following account titles:

Plant Taxes - Storage Department

Plant Taxes - Handling Department

For accounting segregation purposes the utility may allocate real and personal property taxes upon the basis of the original cost (recorded) of warehouse property and equipment, classified in accordance with the provisions of the Plant Account Definitions. (Section IV)

A. This account shall include the distributed cost of salaries and bonuses paid to officers of the utility. It shall include the salaries paid to a proprietor or to members of a partnership when the procedure is maintained. (See Account 2002 Instruction.)

B. The account also shall include the cost of salaries, commissions and bonuses paid for the collection of warehouse storage and handling business.

6100 Payroll Expenses - Office

This account shall include the distributed cost of administrative and general office employee payroll benefits, consisting of the following items, which may be segregated under the sub-accounts indicated:

- State Unemployment Insurance - Office
- Federal Insurance Contributions Act taxes - Office
- Federal Unemployment Taxes - Office
- Compensation Insurance - Office
- Pension Fund Contributions - Office
- Welfare Fund Contributions - Office
- Medical-Hospitalization Insurance - Office
- Life Insurance Participation Premiums - Office

8200 Office Materials, Supplies and Services

A. This account shall include the distributed cost of materials, supplies and services, with the exception of such expenditures as are included under Accounts 8202, 8206 and 8209, utilized in the administrative and general office operations.

ADMINISTRATIVE AND GENERAL EXPENSE ACCOUNTS

8001 General Office Salaries

This account shall include the distributed cost of general office accountants, bookkeepers, clerks, secretaries, stenographers, typists and other general office employees' salaries.

8006 Administrative Salaries

A. This account shall include the distributed cost of salaries and bonuses paid to officers of the utility. It shall include the salaries paid to a proprietor or to members of a partnership when this procedure is maintained. (See Account 2005 Instruction.)

B. The account also shall include the cost of salaries, commissions and bonuses paid for the solicitation of warehouse storage and handling business.

8100 Payroll Expenses - Office

This account shall include the distributed cost of administrative and general office employee payroll benefit expenses, consisting of the following items, which may be segregated under the sub-accounts indicated:

- State Unemployment Insurance - Office
Federal Insurance Contributions Act taxes - Office
Federal Unemployment Excise Tax - Office
Compensation Insurance - Office
Pension Fund Contributions - Office
Welfare Fund Contributions - Office
Medical-Hospitalization Insurance - Office
Life Insurance Participation Premiums - Office

8200 Office Materials, Supplies and Services

A. This account shall include the distributed cost of materials, supplies and services, with the exception of such expenditures as are includable under Accounts 8502, 8506 and 8509, utilized in the administrative and general office operations.

The following items should be considered as indicative (though not restrictive) of the character of items herein to be included.

Communication services

- Fuel for heating
- Office supplies
- Postage
- Rent paid for the use of office machinery and equipment

Stationery

Water

8300 Office Maintenance and Repairs

A. This account shall include the distributed cost of materials, supplies and services utilized in the maintenance and repair of general office buildings, machinery and equipment.

B. If the accounting utility elects to use the clearing Account 9003 Shop Expenses - Clearing, distributions therefrom pertaining to general office building, furnishings, or equipment repairs shall be charged to this account. (See Account 1205 Instruction.)

8401 General Insurance

A. This account shall include the amount of fire, casualty, commodity, legal liability, public liability, burglary, performance bond, fidelity bond, or other insurance premiums.

B. If the accounting utility does not elect to use clearing Account 9002 Transportation Expenses - Clearing, the cost of automobile fire, theft, public liability and property damage insurance shall be charged to this account.

8402 Office Depreciation

A. This account shall include the distributed accrual of depreciation on general office (as distinguished from warehouse) buildings, machinery and equipment.

B. The following items should be considered as indicative (though not restrictive) of the character of items herein to be included.

Items

Depreciation on:

General office air conditioning and heating equipment, drinking fountains, rest room furnishings; General office furniture, furnishings, and office machine equipment, etc.

- 8405 State Franchise Tax
- 8406 Federal Income Tax
- 8407 Other Taxes, Licenses and Permits

A. These accounts shall include the distributed cost of state franchise and federal income taxes, business licenses and inspection permits, as appropriate.

B. If the accounting utility does not elect to use clearing Account 9002 Transportation Expenses-Clearing, the cost of automobile licenses shall be charged to this account.

8502 Administrator Expenses
This account shall include the distributed cost of traveling and entertainment expenses incurred by officers and solicitors of the utility, or by a proprietor or the members of a partnership. It also shall include transportation expenses appropriately distributable from Account 9002 Transportation Expenses - Clearing.

8506 General Expenses

A. This account shall include the distributed cost of administrative and general expenses not specifically includable in Accounts 8200 and 8502.

B. The accounting utility may elect to sub-divide this account for purposes of analytical convenience. If such accounting is adopted, the following sub-account titles may be used:

Professional Services

This sub-account should include the distributed cost of accounting, engineering and legal services obtained from independent practitioners.

Managerial Fees

This sub-account should include the distributed cost of fees paid a managing organization for management, advisory, purchasing and/or fiduciary services rendered.

Dues and Subscriptions

This sub-account shall include the cost of expenditures for:

- 1) association dues for utility trade organization memberships;
- 2) contributions for conventions and meetings of the industry;
- 3) subscriptions to trade publications.

Solicitation Expenses

This sub-account should include the distributed cost of advertising materials and/or services procured.

Loss and Damage Claims

This sub-account shall include the cost of claim payments for losses or damages.

Regulatory Expenses

This sub-account shall include the expenses incurred by the utility in connection with formal applications or cases before the Commission. The utility shall be prepared to report the cost of each formal case.

Other General Expenses

This sub-account should include other distributions of Account 8506 General Expenses.

Other General Expenses

This sub-account should include other disbursements of account 6200 General Expenses.

Other General Expenses

This sub-account should include the expenses incurred by the utility in connection with formal applications or cases before the Commission. The utility shall be prepared to report the cost of each formal case.

Regulatory Expenses

This sub-account shall include the cost of claim payments for losses or damages.

Loss and Damage Claims

This sub-account should include the disbursements of account 6200 General Expenses.

Selection Expenses

- 3) subscriptions to trade publications.
- 2) contributions for conventions and meetings of the industry;
- 1) association dues for utility trade organizations membership;

expenses for:

This sub-account shall include the cost of

Other General Expenses