

§ 367.57

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- (28) Marquee, permanently attached to building.
- (29) Painting, first cost.
- (30) Permanent paving, concrete, brick, flagstone, asphalt, within the property lines.
- (31) Partitions, including movable.
- (32) Permits and privileges.
- (33) Platforms, railings, and gratings when constructed as a part of a structure.
- (34) Power boards for services to a building.
- (35) Refrigerating systems for general use.
- (36) Retaining walls except when identified with land.
- (37) Roadways, railroads, bridges, and trestles intrasite except railroads provided for in equipment accounts.
- (38) Roofs.
- (39) Scales, connected to and forming a part of a structure.
- (40) Screens.
- (41) Sewer systems, for general use.
- (42) Sidewalks, culverts, curbs and streets constructed by the service company on its property.
- (43) Sprinkling systems.
- (44) Sump pumps and pits.
- (45) Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building.
- (46) Steel inspection during construction.
- (47) Storage facilities constituting a part of a building.
- (48) Storm doors and windows.
- (49) Subways, areaways, and tunnels, directly connected to and forming part of a structure.
- (50) Tanks, constructed as part of a building or as a distinct structural unit.
- (51) Temporary heating during construction (net cost).
- (52) Temporary water connection during construction (net cost).
- (53) Temporary shanties and other facilities used during construction (net cost).
- (54) Topographical maps.
- (55) Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
- (56) Vaults constructed as part of a building.

- (57) Watchmen's sheds and clock systems (net cost when used during construction only).
- (58) Water basins or reservoirs.
- (59) Water front improvements.
- (60) Water meters and supply system for a building or for general company purposes.
- (61) Water supply piping, hydrants and wells.
- (62) Wharves.
- (63) Window shades and ventilators.
- (64) Yard drainage system.
- (65) Yard lighting system.
- (66) Yard surfacing, gravel, concrete, or oil. (First cost only.)
- (g) Structures and Improvements accounts must be credited with the cost of structures created to house, support, or safeguard equipment, the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

§ 367.57 Equipment.

- (a) The cost of equipment chargeable to the service company property accounts, unless otherwise indicated in the text of an equipment account, includes the related net purchase price, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the service company, labor employed, materials and supplies consumed, and expenses incurred by the service company in unloading and placing the equipment in readiness to operate. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction and installation of property.
- (b) Exclude from equipment accounts hand and other portable tools, that are likely to be lost or stolen or that have relatively small value (for example, \$500 or less) or short life, unless the correctness of the related accounting as service company property is verified by current inventories. Special tools acquired and included in the purchase price of equipment must be included in the appropriate property account. Portable drills and similar tool equipment when used in connection with the

operation and maintenance of a particular plant or department, such as production, transmission, distribution, or similar items, or in stores, must be charged to the property account appropriate for their use.

(c) The equipment accounts must include angle irons and similar items that are installed at the base of an item of equipment, but piers and foundations that are designed to be as permanent as the buildings that house the equipment, or that are constructed as a part of the building and that cannot be removed without cutting into the walls, ceilings or floors or without in some way impairing the building, must be included in the building accounts.

(d) The cost of efficiency or other tests made subsequent to the date equipment becomes available for service must be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, and similar items, guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase may be charged to the appropriate service company property account.

§ 367.58 Property record system required for service company property.

(a) Each service company must keep its cost allocation system so as to show the nature of each addition to or retirement of service company property, the related total cost, the source or sources of costs, and the property account or accounts to which charged or credited. Records covering jobs of short duration may be cleared monthly.

(b) Each service company must maintain records in which, for each property account, the amounts of the annual additions and retirements are classified so as to show the number and cost of the various record units or retirement units.

§ 367.59 Additions and retirements of property.

(a) For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of service company property, all property

will be considered as consisting of retirement units and minor items of property. Each company must maintain a written property units listing for use in accounting for additions and retirements of property and apply the listing consistently.

(b) The addition and retirement of retirement units must be accounted for as follows:

(1) When a retirement unit is added, the related cost must be added to the appropriate service company property account.

(2) When a retirement unit is retired, with or without replacement, the related book cost must be credited to the property account in which it is included, determined in the manner provided in paragraph (d) of this section. If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to service company property must be charged to the accumulated provision for depreciation applicable to the property. The cost of removal and the salvage must be charged or credited, as appropriate, to the depreciation account.

(c) The addition and retirement of minor items of property must be accounted for as follows:

(1) When a minor item of property that did not previously exist is added to service company property, the related cost must be accounted for in the same manner as for the addition of a retirement unit, as provided in paragraph (b)(1) of this section, if a substantial addition results, otherwise the charge must be to the appropriate maintenance expense account.

(2) When a minor item of property is retired and not replaced, the related book cost must be credited to the property account in which it is included; and, in the event the minor item is a part of depreciable property, the account for accumulated provision for depreciation must be charged with the book cost and cost of removal and credited with the salvage. If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the retirement unit of which it is a part when the unit is retired, no separate credit to the property account is required when the minor item is retired.