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PART I

FEDERAL REGISTER

VOLUME 24 NUMBER 106

Washington, Saturday, May 30, 1959

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Department of Defense

Effective upon publication in the FEDERAL REGISTER, subparagraph (26) is added to § 6.304(a) as set out below.

§ 6.304 **Department of Defense.**

(a) *Office of the Secretary.* * * *

(26) Until September 7, 1959, One Confidential Assistant (Private Secretary) to the Deputy Secretary of Defense.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] WM. C. HULL,
Executive Assistant.

[F.R. Doc. 59-4563; Filed, May 29, 1959; 8:49 a.m.]

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Housing and Home Finance Agency

Effective upon publication in the FEDERAL REGISTER, subparagraph (12) of paragraph (a) of § 6.342 is amended as set out below.

§ 6.342 **Housing and Home Finance Agency.**

(a) *Office of the Administrator* * * *

(12) Two Special Assistants to the Administrator.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] WM. C. HULL,
Executive Assistant.

[F.R. Doc. 59-4540; Filed, May 29, 1959; 8:48 a.m.]

This issue includes two parts bound together. Part II contains the proposed revision of uniform system of accounts for natural gas companies subject to the Natural Gas Act, 18 CFR Part 201, issued by the Federal Power Commission.

Title 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES AND OTHER OPERATIONS

[C.C.C. Grain Price Support Bulletin 1, 1959 Supp. 1, Dry Edible Beans]

PART 421—GRAINS AND RELATED COMMODITIES

Subpart—1959-Crop Dry Edible Bean Loan and Purchase Agreement Program

A price support program has been announced for the 1959 crop of dry edible beans. C.C.C. Grain Price Support Bulletin 1 (23 F.R. 9651), issued by the Commodity Credit Corporation and containing the regulations of a general nature with respect to price support operations for certain grains and other commodities produced in 1959 and subsequent crop years is supplemented as follows:

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FEDERAL REGISTER

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CFR SUPPLEMENTS

(As of January 1, 1959)

The following supplements are now available:

Title 6 ($1.75)

Title 7, Parts 210–899 ($2.50)

Title 15 ($1.00)

Title 32, Parts 800–1099 ($2.50)

Previously announced: Title 3, 1958 Supp. ($0.35); Titles 4–5 ($0.50); Title 7, Parts 1–50 ($4.00); Parts 51–52 ($6.25); Parts 53–209 ($5.50); Parts 900–959 ($1.50); Part 960 to end ($2.25); Title 8 ($0.35); Title 9 ($4.75); Titles 10–13 ($5.50); Title 14, Parts 1–39 ($0.55); Parts 40–399 ($0.55); Part 400 to end ($1.50); Title 16 ($1.75); Title 18 ($0.25); Title 19 ($0.75); Title 21 ($1.00); Titles 22–23 ($0.35); Title 24 ($4.25); Title 25 ($0.35); Title 26, Parts 1–79 ($0.20); Parts 80–169 ($0.20); Parts 170–182 ($0.20); Part 300 to end, Title 27 ($0.30); Title 26 (1954) Parts 1–19 ($3.25); Parts 20–221 ($3.00); Titles 28–29 ($1.50); Titles 30–31 ($3.50); Title 32, Parts 1–399 ($1.50); Parts 400–699 ($1.75); Parts 700–799 ($0.70); Part 1100 to end ($0.35); Title 32A ($0.40); Title 33 ($1.50); Titles 35–37 ($1.25); Title 38 ($0.55); Title 39 ($0.70); Titles 40–42 ($0.35); Title 43 ($1.00); Titles 44–45 ($0.60); Title 46, Parts 1–145 ($1.00); Parts 146–149, 1958 Supp. 2 ($1.50); Part 150 to end ($0.50); Title 47, Parts 1–29 ($0.70); Part 30 to end ($0.30); Title 49, Parts 1–70 ($0.25); Parts 71–90 ($0.70); Parts 91–164 ($0.40); Part 165 to end ($1.00); Title 50 ($0.75)

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Sec.

421.4187 Delivery of beans under purchase agreements.
421.4188 Settlement.

AUTHORITY: §§ 421.4176 to 421.4188 issued under sec. 4, 62 Stat. 1070, as amended, 15 U.S.C. 714b. Interpret or apply sec. 5, 62 Stat. 1072; secs. 301, 401, 63 Stat. 1053; 15 U.S.C. 715c; 7 U.S.C. 1447, 1421.

§ 421.4176 Purpose.

Sections 421.4176 to 421.4188 prescribe additional specific regulations which, together with the general regulations contained in C.C.C. Grain Price Support Bulletin 1 (§§ 421.4001 to 421.4021) apply to loans and purchase agreements under the 1959-Crop Dry Edible Bean Price Support Program.

§ 421.4177 Availability of price support.

(a) *Method of support.* Price support will be available through farm-storage and warehouse-storage loans and through purchase agreements. Farm-storage loans will not be available to cooperative marketing associations of producers.

(b) *Area.* Farm-storage and warehouse-storage loans and purchase agreements will be available wherever beans of the eligible classes are grown in all States of the continental United States, except that farm-storage loans will not be available in areas where the State committee determines the beans cannot be safely stored on the farm.

(c) *Where to apply.* Application for price support must be made at the office of the county committee which keeps the farm-program records for the farm. An eligible cooperative marketing association of producers must make application at the county committee office for the county in which the principal office of the association is located unless the State committee designates some other county ASC office.

(d) *When to apply.* Loans and purchase agreements will be available from the time of harvest through January 31, 1960, and the applicable documents must be signed by the producer and delivered to the county committee not later than such date. Applicable documents referred to herein include the Producer's Note and Loan Agreement for warehouse-storage loans, the Producer's Note and Supplemental Loan Agreement and the Commodity Chattel Mortgage for farm-storage loans, and the Purchase Agreement for purchase agreements.

(e) *Eligible producer.* An eligible producer shall be any individual, partnership, association, corporation, estate, trust, or other business enterprise, or legal entity, and wherever applicable, a State, political subdivision of a State, or any agency thereof producing eligible beans in 1959 as landowner, landlord, tenant, or sharecropper. Executors, administrators, trustees, or receivers who represent an eligible producer or his estate may qualify for price support provided the loan or purchase agreement documents executed by them are legally valid. Two or more eligible producers may obtain a joint loan on beans harvested by them if stored in the same farm-storage facility. In the case of joint loans, each person signing the note shall be held jointly and severally responsible for the loan. Where the county office has experienced difficulties in settling farm-storage loans with a producer, the county committee shall determine that he is not eligible for a farm-storage loan. He shall be eligible, however, to obtain a warehouse-storage loan or sign a purchase agreement. Warehouse-storage loans may be made to a warehouseman who tenders to CCC warehouse receipts issued by him on beans produced by him only in those States where the issuance and pledge of such warehouse receipts are valid under State law.

(f) *Cooperative associations.* A cooperative marketing association which satisfies the requirements of this paragraph shall be deemed an eligible producer and shall be eligible for warehouse-storage loans and purchase agreements on eligible beans as defined in § 421.4178: *Provided*, That warehouse-storage loans may be made to an association which tenders to CCC warehouse receipts issued by it on its own beans only in those States where the issuance and pledge of such warehouse receipts are valid under State law. To be eligible for price support, the association must meet the following requirements:

(1) The association must be a producer-owned and producer-controlled cooperative marketing association of producers which operates in good faith as a cooperative marketing association of producers under the control of its producer members.

(2) All eligible beans delivered to the association by producer members must be marketed through the association pursuant to a uniform marketing agreement between the association and each of its producer members who delivered such eligible beans.

(3) The major part of all the beans marketed by the association must be produced by producer-members, and the major part of beans of a class which is eligible for price support and which is marketed by the association, must be eligible beans produced by members who are eligible producers.

(4) The association must have authority to obtain a loan on the security of the beans and to give a lien thereon as well as authority to sell such beans.

(5) The association must maintain a record by grade of the quantities of beans of each class eligible for price support acquired by or delivered to the association from each source, and the record must also show the disposition of such beans from each source. Records must be maintained separately for eligible and ineligible beans of such class.

(6) The association shall distribute the proceeds from the disposition of all eligible beans solely to its members who are eligible producers and who delivered such beans to the association and only on a basis which results in the proceeds being distributed proportionately to such producers according to the quantity and quality of the eligible beans delivered by each eligible producer. This provision shall not be construed to prohibit the association from establishing separate pools based on grades, classes, qualities of the beans or seasonal pools based on time of acquisition or time of disposition of the beans.

(7) Beans held by the association must be made available for inspection by CCC at all reasonable times so long as the association has beans under price support and the books and records of the association must be available to CCC for inspection at all reasonable times through May 1, 1965.

(8) Notwithstanding the requirement of subparagraph (1) of this paragraph that the association shall consist of producers, a cooperative marketing association, which includes in its membership other cooperative marketing associations composed of producer members, shall be eligible for price support if its member associations meet the requirements for price support under this paragraph, except that the requirement in subparagraph (4) of this paragraph shall be deemed to be satisfied if such member associations have the right to deliver beans of its producer members to the association applying for price support and to authorize such association to sell the beans, to obtain a loan on the security of the beans and to give a lien thereon. The association applying for price support shall: (i) In its charter, bylaws, marketing contracts or by other legal means require that its member associations meet such requirements for price support; (ii) certify to CCC that its member associations are in fact eligible for price support under such requirements; and (iii) except, for the requirement that it consist of producers, otherwise qualify for price support under this paragraph.

(9) Determinations with respect to the eligibility of cooperative marketing as-

sociations of producers pursuant to this section shall be made by the Executive Vice President, CCC.

§ 421.4178 Eligible beans.

At the time the beans are placed under loan or delivered under a purchase agreement, they must meet the following requirements:

(a) The beans must have been produced in the continental United States in 1959 by an eligible producer.

(b) (1) The beneficial interest in the beans must be in the producer tendering the beans for a loan or for delivery under a purchase agreement and must always have been in him or in him and a former producer whom he succeeded before the beans were harvested. In the case of cooperative marketing associations, the beneficial interest in the beans must have been in the producer-members who delivered the beans to the association or to member associations meeting the requirements of § 421.4177(f) and must always have been in them or in them and former producers whom they succeeded before the beans were harvested.

(2) Any producer or association in doubt as to whether the requirements of this paragraph have been fulfilled should make available to the county committee, prior to filing an application, all pertinent information which will permit a determination to be made by CCC.

(3) To meet the requirements of succession to a former producer, the rights, responsibilities and interest of the former producer with respect to the farming unit on which the beans were produced shall have been substantially assumed by the person claiming succession. Mere purchase of the crop prior to harvest, without acquisition of any additional interest in the farming unit, shall not constitute succession. The county committee shall determine whether the requirements with respect to succession have been met.

(c) The beans must be dry edible beans of the classes Pea, Medium White, Great Northern, Small White, Flat Small White, Pink, Small Red, Pinto, Dark Red Kidney, Light Red Kidney, Western Red Kidney, Large Lima and Baby Lima.

(d) The beans must not contain mercurial compounds or other substances poisonous to man or animals.

(e) Beans placed under warehouse-storage loan or delivered under a purchase agreement must grade U.S. Choice Handpicked, U.S. Extra No. 1, U.S. No. 1, or U.S. No. 2.

(f) (1) Beans placed under farm-storage loan must meet the requirements set forth in paragraph (e) of this section for warehouse-storage loans and purchase agreements, or must be beans (hereinafter referred to as "thresher run" beans) which have not been commercially cleaned; which contain not in excess of 18 percent moisture; which after deduction of foreign material, contain not more than 8 percent of other defects, as these terms are defined in the United States Standards for Beans; which are not musty, moldy, sour, heating, hot, weevily, materially weathered, or otherwise or distinctly low quality; and which do not have any commercially objectionable odor.

(2) If offered as security for a farm-storage loan, beans must have been stored in the storage structure for at least 30 days prior to inspection for measurement, sampling, and sealing, unless otherwise approved by the State committee.

§ 421.4179 Warehouse receipts.

Warehouse receipts, representing beans in approved warehouse-storage to be placed under loan or to be delivered under a purchase agreement must meet the following requirements:

(a) Except as provided in paragraph (f) of this section, warehouse receipts must be issued in the name of the producer or cooperative marketing association, must be properly endorsed in blank so as to vest title in the holder, and must be receipts issued by a warehouse for which a CCC Form 28, "Bean Storage Agreement", is in effect and which is approved by CCC for price support purposes. The receipts must be negotiable and must cover eligible beans actually in store in the warehouse.

(b) In order to be acceptable under the loan program, each warehouse receipt, or the accompanying supplemental certificate, must contain a statement that the beans are insured in accordance with CCC Form 28, "Bean Storage Agreement", and if such insurance was not effective as of the date of deposit of the beans in the warehouse, the warehouseman must certify as to the effective date of the insurance and that the beans are in the warehouse and undamaged. The insurance on commingled beans must be obtained by the warehouseman. Insurance on beans with respect to which the warehouseman does not guarantee quantity and quality (hereinafter called identity-preserved beans) must be obtained by either the producer or the warehouseman. If the insurance is obtained by the producer, it must be assigned to the warehouseman, with the consent of the insurance company, before a loan will be made and the warehouseman must also certify that the insurance has been assigned to him with the consent of the insurance company. Insurance is not required in order for warehouse receipts to be purchased under the purchase agreement program.

(c) Each warehouse receipt or the warehouseman's supplemental certificate (in duplicate) properly identified with the warehouse receipt, must show the gross and net weight of beans, the class and the grade or all grading factors used in the determination of the quality of the beans.

(d) In the case of "identity-preserved" beans, the warehouse receipt shall show the lot number and number of bags in the lot, and the producer must execute the supplemental certificate and assume responsibility for the quantity and quality indicated thereon.

(e) The warehouse receipt may be subject to liens for warehouse charges only to the extent of the charges indicated in § 421.4184(b).

(f) If the receipt is issued for beans of which the warehouseman is the owner either solely, jointly, or in common with others, the fact of such ownership shall be stated on the receipt. Such receipts shall also be registered or recorded with appropriate State or local officials when required by State law. In States where the pledge of warehouse receipts by a warehouseman on his own beans is not valid under State law and the warehouseman elects to deliver beans to CCC under a purchase agreement for which he is eligible under this program, the warehouse receipt shall be issued in the name of CCC.

§ 421.4180 Determination of quantity.

(a) *When loans are made*—(1) *Farm-storage or "identity-preserved" warehouse-stored beans.* (i) At the time the loan is made, the quantity of beans may be determined either by weight or, if stored in bulk, by measurement. Where the quantity is determined by measurement, 2.1 cubic feet shall constitute 100 pounds.

(ii) In the case of bagged beans grading U.S. No. 2 or better, loans shall be made on the net weight of the lot or on a quantity determined by multiplying the number of bags by 100 pounds, whichever is the smaller. In the case of other eligible beans, loans shall be made on the basis of the net weight of sound beans in the lot. Sound beans shall be beans free from dockage and other defects as defined in the United States Standards for Beans.

(iii) If the beans are stored in bags, a deduction of ¾ pound per bag shall be made from the gross weight of bagged beans, except where the net weight is shown on the warehouse receipt.

(2) *Commingled warehouse-storage beans.* The quantity on which a loan shall be made shall be the net weight of beans shown on the warehouse receipt or supplemental certificate.

(b) *At time of delivery or acquisition*—(1) *Delivery from other than an approved warehouse or delivery or acquisition as identity-preserved in an approved warehouse.* The net weight of beans delivered to CCC from other than an approved warehouse, or delivered to or acquired by CCC in an approved warehouse as "identity-preserved" beans shall be determined by weighing the beans. In the case of bagged beans, if all the beans in the lot are not weighed, the net weight shall be determined by multiplying the average net weight of the bags weighed (but not less than 10 percent of the bags in the lot) by the total number of bags in the lot. The producer will be be credited with the net weight delivered or acquired or with a quantity determined by multiplying the number of bags in the lot by 100 pounds, whichever quantity is less.

(2) *Delivery or acquisition in an approved warehouse of beans covered by a commingled warehouse receipt.* The net weight of beans delivered to or acquired by CCC in an approved warehouse where the warehouseman guarantees the qual-

ity and quantity shall be the net weight of beans specified on the warehouse receipt or supplemental certificate.

§ 421.4181 Determination of quality.

(a) The class, grade, and all quality factors shall be determined in accordance with the United States Standards for Beans.

(b) Where quality is guaranteed by the warehouseman, the class and grade of beans placed under loan or acquired or delivered under a loan or purchase agreement shall be that shown on the warehouse receipt.

(c) The class and grade of beans placed under farm-storage loan or identity-preserved warehouse-storage loan shall be determined from an official (Federal or Federal-State) lot inspection certificate, or from an official sample inspection certificate based on a sample drawn by a representative of the county committee. The State committee may require that any such inspection certificates issued prior to the date of the loan application shall be on the basis of a sample drawn within a specified time prior to the date of the loan application. Notwithstanding the foregoing provisions of this paragraph, in the case of loans on thresher-run beans the quality of the beans may be determined by the State ASC office where the Grain Division, Commodity Stabilization Service, authorizes such determination.

(d) Except where quality is guaranteed by the warehouseman as provided in paragraph (b) of this section, the class and grade of beans delivered or acquired under a farm-storage or identity-preserved warehouse-storage loan or a purchase agreement shall be determined from an official lot inspection certificate dated not earlier than 15 days prior to the applicable maturity date for loans and submitted by the producer in accordance with the settlement provisions of this subpart.

(e) Inspection fees incurred in connection with the making of warehouse-storage loans and with the acquisition of beans by CCC will be for the account of the producer. Inspection fees incurred by the county committee in connection with the making of farm-storage loans will be for the account of CCC.

§ 421.4182 Credit for loss or destruction.

The amount to be credited to the producer for loss or destruction assumed by CCC, in accordance with § 421.4015, shall be determined by multiplying the number of hundredweight of sound beans, lost or destroyed, by the support rate for U.S. No. 2 beans of the class lost or destroyed, except that if the warehouse receipt or an official inspection certificate covering the beans shows a grade of U.S. No. 2 or better, the amount credited shall be determined by multiplying the net weight of the beans lost or destroyed by the support rate for the class and grade of such beans. There shall be deducted from such amount any insurance proceeds to which CCC may be entitled and the salvage value of the commodity.

§ 421.4183 Maturity of loans.

Loans mature on demand but not later than February 29, 1960, in the case of beans produced in the States of Michigan, New York, and Pennsylvania, and not later than April 30, 1960, in the case of beans produced in all other States.

§ 421.4184 Packaging and warehouse charges.

(a) *Packaging.* Unless otherwise approved by CCC, beans placed under a warehouse-storage loan must be packed 100 pounds net in new bags made of 36-inch, 10.4 ounces "A" or "B" quality common jute or heavier weight jute or provision must have been made for such packaging by the producer. Bag seams must be as strong as the full strength of the cloth. Bags must be marked to show the commodity name and class, the net weight when packed; and the name and address of the packer. Beans delivered under a farm-storage loan or purchase agreement must also meet the packaging requirements set forth in this paragraph.

(b) *Warehouse charges.* Storage, bagging, cleaning, inspection fees and all other charges, except receiving and loading out charges in the warehouse in which the beans are acquired by CCC, accruing through February 29, 1960, in the case of beans produced in the States of Michigan, New York and Pennsylvania, and through April 30, 1960, in the case of beans produced in all other States, shall be paid by the producer prior to the time that the beans are placed under warehouse-storage loan or delivered under a purchase agreement, or shall be paid from the loan or purchase proceeds. Such charges include the cost of movement to a normal railroad shipping point if the warehouse is not located on a railroad, and any unpiling, turning, repiling, or other charges, except loading out charges, incident to official weight and grade determinations on identity-preserved beans. CCC will assume warehouse-storage charges (not in excess of those approved for the 1959 crop under CCC Form 28, "Bean Storage Agreement") accruing after April 30, 1960 (February 29, 1960, for beans produced in Michigan, New York, and Pennsylvania), which are delivered to or acquired by CCC.

§ 421.4185 Support rates.

(a) The loan rate for eligible beans shall be the applicable support rate shown in paragraph (b) of this section, for the class, grade, and county where produced; however, if the beans have been moved by truck to approved storage in a higher loan rate county, or if the warehouseman guarantees delivery by truck to approved storage or on track in a higher support rate county, the loan rate shall be the support rate for the county in which the beans are stored or to which delivery is guaranteed.

(b) The support rates per 100 pounds net weight established for dry edible beans are as follows:

Class and Area	Rate per 100 lbs. U.S. No. 1 [1]
Pinto:	
Area I. All counties in New Mexico except McKinley, Rio Arriba, San Juan, Taos and Valencia	$5.23
Area II. All counties in Kansas, Nebraska, Oklahoma, and Texas. In Colorado, the counties of Adams, Arapahoe, Baca, Bent, Boulder, Cheyenne, Clear Creek, Crowley, Denver, Douglas, Elbert, El Paso, Fremont, Gilpin, Huerfano, Jefferson, Kiowa, Kit Carson, Larimer, Las Animas, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Pueblo, Sedgwick, Teller, Washington, Weld, and Yuma. In Wyoming, counties of Goshen, Laramie and Platte	5.13
Area III. Counties of McKinley and Valencia in New Mexico	5.03
Area IV. All counties in Arizona, California, South Dakota and Utah. In Colorado, all counties not in Area II. In Wyoming, all counties except Goshen, Laramie, and Platte. In New Mexico, counties of Rio Arriba, San Juan and Taos	4.93
Area V. Washington	4.63
Area VI. All other States and counties	4.73
Great Northern:	
Area I. Minnesota, Nebraska, North Dakota. In Colorado, all counties east of 106 degrees longitude. In Wyoming, counties of Goshen, Laramie, and Platte	5.83
Area II. South Dakota, and all counties in Wyoming, except Goshen, Laramie and Platte	5.63
Area III. All counties in Montana, Malheur County in Oregon, and counties of Ada, Bannock, Bear Lake, Bingham, Boise, Canyon, Caribou, Cassia, Elmore, Franklin, Gem, Gooding, Jerome, Lincoln, Minidoka, Oneida, Owyhee, Payette, Power, Twin Falls in Idaho	5.43
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Area I. Idaho and Colorado	6.01
Area II. Washington	5.91
Area III. All other States	5.96
Large Lima	8.81
Baby Lima	4.21

[1] Premium for U.S. CHP and U.S. Extra No. 1, 10 cents except that premium for U.S. CHP on pea beans is 25 cents. Discount for U.S. No. 2, 25 cents. Loan rate for thresher-run beans shall be the loan rate for U.S. No. 1 less $2, except in Michigan and New York, where the loan rate shall be the loan rate for U.S. No. 1 less $3. Quantity on thresher-run beans is the net weight of sound whole beans.

§ 421.4186 Storage in transit.

(a) Reimbursement will be made by CCC to producers or warehousemen for paid-in rail freight on beans stored in approved warehouses, subject to the following conditions:

(1) The movement from point of origin to storage point must be an "in-line" movement as determined by CCC,

and must be no greater than 100 miles from the point of production unless otherwise approved by CCC prior to the date of shipment.

(2) The freight must have been paid in by the person claiming reimbursement and he must not have been otherwise reimbursed.

(3) The warehouseman must furnish the descriptive data on all freight bills or transit tonnage slips on all eligible beans received into the storage facility at the time and in the manner stipulated in CCC Form 28, "Bean Storage Agreement", in effect with CCC for the 1959 crop.

(4) The freight bills or transit tonnage slips must be made available to CCC in accordance with the provisions of Form CCC 28, "Bean Storage Agreement".

(5) Not more than one transit stop must have been used on the billing.

(6) The freight bills must be otherwise acceptable to CCC under the terms of the storage agreement.

(b) Reimbursement for paid-in freight under this section will be made by the appropriate CSS Commodity Office subsequent to actual delivery of the beans to CCC pursuant to a loan or purchase agreement.

§ 421.4187 Delivery of beans under purchase agreement.

(a) *Commingled storage in approved warehouses.* In the case of eligible beans stored commingled in an approved warehouse, the producer must, not later than the day following the loan maturity date or during such period of time thereafter as may be specified by the county committee, submit to the office of the county committee warehouse receipts under which the warehouseman guarantees quality and quantity, for the quantity of beans he elects to sell to CCC.

(b) *Other than commingled storage in approved warehouses.* In the case of beans stored in other than approved warehouse storage, or stored identity-preserved in approved warehouse storage the county committee will, on or after the loan maturity date, issue delivery instructions to the producer. The producer must then complete delivery within a 15-day period immediately following the date the county committee issues delivery instructions, unless the county committee determines that more time is needed for delivery. The producer shall, at his expense, furnish to the county committee at the time of delivery official lot inspection and weight certificates dated subsequent to February 15, 1960, for beans produced in Michigan, New York and Pennsylvania, and subsequent to April 15, 1960, for beans produced in all other States: *Provided, however,* That if at the time of delivery to CCC, a commingled warehouse receipt covering the beans delivered, agreed to by the producer and warehouseman is issued by an approved warehouse, inspection and weight certificates will not be required.

(c) *Storage after maturity date.* The producer may be required to retain beans stored in other than approved warehouse storage for a period of 60 days after the applicable loan maturity date without any cost to CCC. CCC will not assume any loss in quantity or quality of beans covered by a purchase agreement occurring prior to delivery to CCC, except for quality deterioration under the following circumstances. If a producer has properly requested delivery instructions and CCC cannot accept delivery within the 60-day period following the applicable loan maturity date, the producer may notify the county committee at any time after such 60-day period that the beans are going out of condition or are in danger of going out of condition. Such notice must be confirmed in writing. If the county committee determines that the beans are going out of condition or are in danger of going out of condition and that the beans cannot be satisfactorily conditioned by the producer, and delivery cannot be accepted within a reasonable length of time, the county committee shall obtain an inspection and grade and quality determination. If such inspection shows the beans to be of an eligible grade, settlement, when delivery is completed, shall be made on the basis of such grade and quality determination or on the basis of the grade and quality determination made at the time of delivery, whichever is higher, and on the basis of the quantity actually delivered, but not in excess of the quantity specified on the Purchase Agreement.

§ 421.4188 Settlement.

The settlement value of the beans delivered or acquired under a loan or delivered under purchase agreement shall be determined as set forth in this section.

(a) *Applicable support rate.* Settlement of loans and purchase agreements shall be made at the support rate for the county in which the beans are produced except as follows:

(1) In the case of farm-storage loans, settlement shall be made at the support rate for the county where the beans are delivered if the beans have been delivered to such county by truck and such county has a higher support rate than the county where the beans were produced.

(2) In the case of warehouse-storage loans, both identity-preserved and commingled, (i) if the warehouse is located off the railroad, settlement will be made with the producer at the support rate for the county to which the warehouseman guarantees delivery for loading if such support rate is higher than the support rate for the county where the beans were produced, and (ii) if the beans are acquired in storage in an approved warehouse in a county having a higher support rate than the county where the beans were produced and movement to such warehouse was made by truck, settlement will be made at the support rate for the county in which acquisition is made by CCC.

(3) In the case of beans delivered under purchase agreement from other than approved warehouse storage, the provisions of subparagraph (1) of this paragraph shall be applicable. In the case of beans delivered under purchase agreement in an approved warehouse, the provisions of subparagraph (2) of this paragraph shall be applicable.

(b) *Applicable support rate for class and grade*—(1) *Commingled warehouse-storage loans.* Settlement will be made with the producer at the applicable county support rate for the class and grade of beans shown on the warehouse receipt and accompanying documents for the quantity shown thereon.

(2) *Farm-storage and identity-preserved warehouse-storage loans.* (i) In the case of eligible beans delivered to CCC from farm-storage or acquired by CCC in identity-preserved warehouse-storage under the loan program, settlement will be made at the applicable county support rate for the class and grade of the total quantity of beans delivered. The producer shall, at his expense, furnish to the county committee official lot inspection and weight certificates dated subsequent to February 15, 1960, for beans produced in Michigan, New York and Pennsylvania, and subsequent to April 15, 1960 for beans produced in all other States. On farm-storage loans such certificates shall be furnished at the time of delivery of the beans. On identity-preserved warehouse-storage loans such certificates shall be furnished within 10 days after the applicable maturity date. In any instance where the producer fails to furnish to CCC weight or inspection certificates required for settlement, CCC may obtain such certificates. The cost incurred by CCC in obtaining such certificates and any other fees or expenses incurred in connection with settlement on loans shall be for the account of the producer. However, notwithstanding the foregoing provisions of this subdivision, if at the time of delivery to or acquisition by CCC, a commingled warehouse receipt covering the beans delivered or acquired, agreed to by the producer and warehouseman, is issued by an approved warehouse, inspection and weight certificates will not be required and settlement with the producer will be made at the applicable county support rate for the class and grade of the beans shown on the commingled warehouse receipt and accompanying documents for the quantity shown thereon.

(ii) In the case of beans delivered under a farm-storage loan or acquired by CCC under an identity-preserved warehouse-storage loan which are of a grade for which no support rate has been established, the settlement value shall be computed at the support rate established for the class and grade placed under loan, less the difference, if any, at the time the inspection and weight certificates, or the commingled receipt, are delivered to the county committee, between the market price for the class and grade placed under loan and the market price of the beans delivered or acquired as determined by CCC: *Provided, however,* That in the case of thresher-run beans which, when delivered are not of a grade for which a support rate has been established, the settlement value shall be the support rate for beans of the same class grading U.S. No. 2, less the difference, if any, at the time of delivery, between the market price for such grade and the market price of the beans delivered, as determined by CCC: *Pro-*

vided, further, That if any such beans are sold by CCC in order to determine the market price for purposes of settlement, the settlement value shall not be less than such sales price. If upon delivery, the beans contain mercurial compounds or other substances poisonous to man or animals, such beans shall be sold for seed (in accordance with applicable State seed laws and regulations), fuel or industrial uses where the end product shall not be consumed by man or animals, and the settlement value shall be the same as the sales price. If CCC is unable to sell such beans for the use specified above, the settlement value shall be the market value, if any, as determined by CCC, as of the date of delivery.

(iii) Any amount determined to be due CCC or the producer in settlement for difference in quantity or quality of an identity-preserved warehouse-storage loan shall be paid as provided in § 421.4018(a) (2) and (3).

(3) *Purchase agreements.* Eligible beans delivered to CCC under a purchase agreement will be purchased at the applicable support rate for the class and grade of beans delivered.

(i) *Commingled storage in approved warehouses.* Beans stored commingled in approved warehouses will be purchased on the basis of the weight, grade, and other quality factors shown on the warehouse receipts and/or accompanying documents.

(ii) *Other than commingled storage in approved warehouses.* Beans stored identity-preserved in an approved warehouse and beans delivered from other than approved warehouse storage will be purchased on the basis of the weight, grade, and other quality factors shown on the official lot inspection and weight certificates and agreed to by the producer on Commodity Purchase Form 4 or 4A whichever is applicable: *Provided, however,* That if upon delivery, the beans contain mercurial compounds or other substances poisonous to man or animals, and such beans are inadvertently accepted by CCC, the beans shall be sold for seed (in accordance with applicable State seed laws and regulations), fuel or industrial use where the end product shall not be consumed by man or animals, and the settlement value shall be the sales price: *Provided further,* That if CCC is unable to sell such beans for the use specified above, the settlement value shall be the market value, if any, as determined by CCC as of the date of delivery.

(c) *Determination of quantity for settlement purposes.* The quantity of beans on which settlement will be made shall be determined in accordance with § 421.4180(b).

(d) *Refund of prepaid handling charges.* In case a warehouseman charges the producer for the receiving or the receiving and loading out charges on beans under loan or purchase agreement stored in a warehouse under the Bean Storage Agreement, the producer shall, upon delivery of the beans to CCC, be reimbursed or given credit by the county office for such prepaid charges in an amount not to exceed the charges authorized under the Bean Storage Agreement, provided the producer furnishes to the county committee written evidence signed by the warehouseman that such charges have been paid.

(e) *Method of payment under purchase agreement settlements.* When delivery of beans under purchase agreement is completed, payment will be made by sight draft drawn on CCC by the county office. The producer shall direct, on Commodity Purchase Form 4 or 4A, whichever is applicable, to whom payment of the proceeds shall be made.

Issued this 26th day of May 1959.

CLARENCE D. PALMBY,
Acting Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 59-4546; Filed, May 29, 1959; 8:49 a.m.]

Title 8—ALIENS AND NATIONALITY

Chapter I—Immigration and Naturalization Service, Department of Justice

PART 204—PETITION FOR IMMIGRANT STATUS AS A HIGHLY SKILLED PERSON OR AS A MINISTER

PART 205—PETITION FOR IMMIGRANT STATUS AS RELATIVE OF UNITED STATES CITIZEN, LAWFUL RESIDENT ALIEN, OR ELIGIBLE ORPHAN

PART 282—PRINTING OF REENTRY PERMITS; FORMS FOR SALE TO PUBLIC

PART 299—IMMIGRATION FORMS

Individual Immigrant Visa Petitions

Reference is made to the notice of proposed rule making which was published in the FEDERAL REGISTER of April 17, 1959 (24 F.R. 2959) pursuant to section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U.S.C. 1003) and in which there was set out in full the terms of the proposed amendments to Parts 204, 205, 282, and 299 relating to the submission of individual visa petitions under sections 204 and 205 of the Immigration and Nationality Act. Representations received concerning the proposed rules have been considered. The rules as set out below are adopted.

1. The headnote to Part 204 is amended to read as set out above.

2. Part 204 is amended to read as follows:

§ 204.1 Petition.

The petition required by section 204 of the Act shall be filed on a separate Form I-130 for each beneficiary and shall be accompanied by a fee of $10. The petitioner shall be notified of the decision and, if the petition is denied, of the reasons therefor and of his right to appeal in accordance with the provisions of Part 103 of this chapter.

(Sec. 103, 66 Stat. 173; 8 U.S.C. 1103. Interpret or apply secs. 101, 203, 204, 66 Stat. 166, 178, 179; 8 U.S.C. 1101, 1153, 1154)

3. Section 205.1 is amended to read as follows:

§ 205.1 Petition.

The petition required by section 205 of the Act shall be filed on a separate Form I-130 for each beneficiary and shall be accompanied by a fee of $10. The petitioner shall be notified of the decision and, if the petition is denied, of the reasons therefor and of his right to appeal to the Board within 15 days after mailing of the notification of the decision in accordance with the provisions of Part 3 of this chapter.

4. Section 282.2 is amended to read as follows:

§ 282.2 Forms printed by the Public Printer.

The Public Printer is authorized to print for sale to the public by the Superintendent of Documents the following forms prescribed by subchapter B of this chapter: I-20, I-21, I-94, I-95, I-129B, I-130, I-131, I-131A, I-418, and I-539.

§ 299.1 [Amendment]

5. Section 299.1 *Prescribed forms* is amended in the following respects:

a. The following form and reference thereto is added to the list of forms in numerical sequence:

Form No.	*Title and description*
I-130	Petition to classify status of alien for issuance of immigrant visa.

b. The following forms and references thereto are deleted from the list of forms:

Form No.	*Title and description*
I-129	Petition for Classification of Quota Immigrant for Alien Whose Services Are Needed Urgently in the United States.
I-129A	Petition for Classification as Nonquota Immigrant for Minister of a Religious Denomination.
I-133	Petition by United States Citizen for Issuance of Immigrant Visa.
I-133A	Petition by Permanent Resident Alien for Issuance of Immigrant Visa.

§ 299.2 [Amendment]

6. The first sentence of § 299.2 *Forms available from the Superintendent of Documents* is amended to read as follows: "The following forms required for compliance with the provisions of Subchapter B of this chapter may be obtained, upon prepayment, from the Superintendent of Documents, Government Printing Office, Washington, D.C.: I-20, I-21, I-94, I-95, I-129B, I-130, I-131, I-131A, I-418, and I-539."

(Sec. 103, 66 Stat. 173; 8 U.S.C. 1103)

The basis and purpose of the above-prescribed rules are to provide for the submission of an individual visa petition in every instance pursuant to sections 204 and 205 of the Immigration and Nationality Act.

This order shall become effective on July 1, 1959.

Dated: May 27, 1959.

J. M. SWING,
Commissioner of Immigration and Naturalization.

[F.R. Doc. 59-4547; Filed, May 29, 1959; 8:49 a.m.]

Title 28—JUDICIAL ADMINISTRATION

Chapter III—Federal Prison Industries, Department of Justice

PART 301—INMATE ACCIDENT COMPENSATION

EDITORIAL NOTE: Chapter I, Part 1 of Title 40 is hereby transferred to Title 28, and is redesignated Chapter III, Part 301 of that title.

Title 40—PRISONS

Chapter I—Federal Prison Industries, Department of Justice

PART 1—INMATE ACCIDENT COMPENSATION

EDITORIAL NOTE: Chapter I, Part 1, the only regulations in this title, are hereby transferred to Title 28, and redesignated Chapter III, Part 301 of that title. Title 40 is hereby vacated and reserved.

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

SUBCHAPTER A—CIVIL AIR REGULATIONS

[Reg. SR 432]

PART 40—SCHEDULED INTERSTATE AIR CARRIER CERTIFICATION AND OPERATION RULES

PART 41—CERTIFICATION AND OPERATION RULES FOR SCHEDULED AIR CARRIER OPERATIONS OUTSIDE THE CONTINENTAL LIMITS OF THE UNITED STATES

PART 42—IRREGULAR AIR CARRIER AND OFF-ROUTE RULES

Special Civil Air Regulation; Carriage of Persons Other Than "Crew Members" and "Passengers" Aboard All-Cargo Aircraft

Recently there has been a great increase in the demand for the transportation by air of classified or special cargo, as well as the shipment of deceased members of the Armed Forces. This transportation frequently requires the presence of persons other than crew members such as guards, escorts, couriers, or attendants aboard the airplane to serve as security or honor guards for shipments made by the U.S. Government.

For a number of years it has been the general practice in cargo operations to carry animal attendants, or other attendants necessary for the safety of the airplane, as crew members while in the performance of such duties. However, guards or escorts of classified or special cargo, including those of the U.S. Government, are considered as passengers when their presence is not necessary for the safe operation of the airplane being used for the carriage of the particular cargo. Similarly, when cargo attendants are carried aboard the cargo airplane to or from their specific duty assignments, they may be considered in the category of passengers. As a consequence, the cargo airplane becomes subject to the passenger operation rules which differ from the cargo operation rules primarily with respect to fire prevention requirements, allowable weights, and performance limitations. Compliance with these requirements by an air carrier when such persons are assigned specific duties in connection with cargo in an all-cargo airplane places an unreasonable burden upon air carriers engaging in such operations, since such individuals should not and were not intended to fall within the normally accepted category of air carrier passengers.

In view of the foregoing it appeared desirable to exclude from the passenger category certain persons authorized to perform a specific duty in connection with cargo being carried aboard a cargo airplane while in the performance of such duty, or while traveling to or from such duty assignment aboard such cargo airplane. Associated with the objective of authorizing carriage of these special cargo attendants aboard cargo airplanes without compliance with the passenger-carrying requirements was the problem of suitable seats and seat belts for these persons. Since it was apparent that in many cargo airplanes there would not be suitable seats in the cargo compartment, it appeared desirable to permit such persons to be seated on the flight deck.

To accomplish this it was proposed in Civil Air Regulations Draft Release No. 58-16, dated August 29, 1958 (23 F.R. 6836) to define passenger- and cargo-carrying airplanes, the effect of which was to permit cargo-carrying airplanes to carry certain cargo attendants without complying with the passenger-carrying airplane requirements, and to amend the admission to flight deck requirements to permit the admission and seating of these persons on the flight deck when seats were not otherwise available in the airplane.

Although the draft release proposed to accomplish this by amendments to Parts 40, 41, and 42 it has been determined that in view of the fact that Parts 40 and 41 are primarily used for passenger operations it would be more appropriate to cover these special conditions of operations under a Special Civil Air Regulation than to amend the individual parts concerned.

Comments received on the draft release were favorable to the proposal although certain recommendations were made to give the pilot in command complete discretion with respect to admitting cargo attendants to the flight deck and to require that seats be made available at a point separate from the flight deck.

On the question of a suitable seat and safety belt for special cargo attendants separate from the flight deck, it is to be noted that many cargo compartments, due to their design and intended functions, either do not have seats for occupants or are not suitable for extended occupancy. Consequently, to achieve the objective of this regulation it has been determined that such cargo attendants must be authorized to enter and be seated elsewhere on the airplane when they otherwise qualify to be aboard a cargo airplane and a seat is not available or suitable in the cargo compartment. Therefore, this Special Civil Air Regulation permits such cargo attendants to be seated on the flight deck as well as in the cargo compartment, if such seat is located so as to preclude interference with the flight crew members in the performance of their duties. In any event authority must be obtained from the pilot in command for such cargo attendants to be admitted to the flight deck.

Interested persons have been afforded an opportunity to participate in the making of this rule, and due consideration has been given to all relevant matter presented. Since this special regulation relaxes a present restriction, it may be made effective on less than 30 days notice.

In consideration of the foregoing, the following Special Civil Air Regulation is hereby promulgated to become effective May 30, 1959.

1. Contrary provisions of Part 40, 41, or 42 of the Civil Air Regulations notwithstanding, the following persons, when duly authorized by the air carrier, may be carried aboard an airplane engaged in the carriage of cargo only without compliance with the passenger-carrying or passenger-service airplane requirements of those parts:

(a) A person performing a specific duty assignment aboard an airplane in connection with the safety of the flight, or the safe carriage of animals, or radioactive materials within the meaning of and subject to the requirements of § 49.2 of Part 49 of this subchapter; or while traveling to or from such duty assignment where the air carrier finds that other means of transportation are not practicable; and

(b) A person performing duty as a security or honor guard aboard an airplane for shipments made by or under the authority of the Federal Government.

2. An approved seat with safety belt shall be available for the use of the persons described in paragraph 1. The location of the seat shall be such that the occupant will not be in a position to interfere with the flight crew members in the performance of their duties.

3. Persons described in paragraph 1 may be admitted to the flight deck of the airplane when authorized by the pilot in command.

(Sec. 313(a), 72 Stat. 752; 49 U.S.C. 1354(a). Interpret or apply secs. 601, 604, 72 Stat. 775, 778; 49 U.S.C. 1421, 1424)

Issued in Washington, D.C., on May 26, 1959.

JAMES T. PYLE,
Acting Administrator.

[F.R. Doc. 59-4521; Filed, May 29, 1959; 8:45 a.m.]

Chapter III—Federal Aviation Agency

[Amdt. 118]

PART 609—STANDARD INSTRUMENT APPROACH PROCEDURES

Miscellaneous Alterations

The new and revised standard instrument approach procedures appearing hereinafter are adopted to become effective and/or canceled when indicated in order to promote safety. The revised procedures supersede the existing procedures of the same classification now in effect for the airports specified therein. For the convenience of the users, the revised procedures specify the complete procedure and indicate the changes to the existing procedures. Compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act would be impracticable and contrary to the public interest, and therefore is not required.

Part 609 is amended as follows:

1. The automatic direction finding procedures prescribed in § 609.100(b) are amended to read in part:

ADF STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
AUS VOR	LOM	Direct	2000	T-dn #	300–1	300–1	200–½
AUS RBn	LOM	Direct	2000	C-dn	400–1	500–1	500–1½
Smithville Int	LOM	Direct	2000	S-dn-30L	400–1	400–1	400–1
Bergstrom RBn	LOM	Direct	2000	A-dn	800–2	800–2	800–2

Radar Terminal Area maneuvering altitude within 20 mi and clockwise around AUS radar antenna site: 345° to 215°—2000′; 215° to 345°—2500′.

Radar control must provide 3 mi or 1000′ vertical separation; or 3 to 5 mi and 500′ vertical separation from radio towers 1680′ MSL 23 mi WNW, 2049′ MSL 9 mi NW and 1054′ MSL 14 mi N.

Procedure turn E side SE crs, 125° Outbnd, 305° Inbnd, 2000′ within 10 mi. Beyond 10 mi NA.

Minimum altitude over facility on final approach crs, 1200′.

Crs and distance, facility to airport, 305°—4.8 mi.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.8 miles, climb to 3000′ on crs 305° from LOM within 20 miles or, when directed by ATC, turn right, climb to 2000′ and proceed to AUS VOR or AUS RBn.

#All aircraft are restricted to 300–1 for takeoff on runways 3–21, 16L–34R and 12 L–30R.

City, Austin; State, Tex.; Airport Name, Mueller; Elev., 631′; Fac. Class, LOM; Ident., AU; Procedure No. 1, Amdt. 17; Eff. Date, 13 June 59; Sup. Amdt. No. 16 (ADF portion of comb. ILS-ADF); Dated, 22 Feb. 58

Valdosta VOR	VLD-RBn	Direct	1400	T-dn	300–1	300–1	200–½
				C-dn	500–1	500–1	500–1½
				A-dn	800–2	800–2	800–2

Radar transition: 1500′ within 25 miles of VLD-RBn.

Procedure turn *West side of crs, 183° Outbnd, 003° Inbnd, 1400′ within 10 mi.

Facility on airport.

Minimum altitude over facility on final approach crs, 700′.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.6 mile, make left turn and climb to 1500′ on crs of 345° within 20 miles of RBn.

*Procedure turn nonstandard to provide separation from Moody AFB traffic.

City, Valdosta; State, Ga.; Airport Name, Valdosta; Elev., 203′; Fac. Class, BMG; Ident., VLD; Procedure No. 1, Amdt. 9; Eff. Date, 13 June 59; Sup. Amdt. No. 8; Dated, 24 Mar. 54

All directions			1500	T-d	500–1½	500–1½	500–1½
				T-n	600–2	600–2	600–2
				C-d	500–1½	500–1½	500–1½
				C-n	600–2	600–2	600–2
				A-dn	800–2	800–2	800–2

Procedure turn South side of crs, 278° Outbnd, 098° Inbnd, 1500′ within 10 miles.

Minimum altitude over facility on final approach crs, 600′.

Crs and distance, facility to airport, 098°—0.6 mi.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.6 miles, climb to 1500′ on crs of 098° within 20 miles.

CAUTION: Standard obstruction clearance not provided for circling north of the runway. 422′ msl towers located 1.5 mi. north of runway—in vicinity of HHW AWK.

Location, Wake Island; Airport Name, Wake; Elev., 12′; Fac. Class, MHW; Ident., AXX; Procedure No. 2, Amdt. 6; Eff. Date, 13 June 59; Sup. Amdt. No. 5; Dated, 23 Apr. 58

2. The very high frequency omnirange (VOR) procedures prescribed in § 609.100(c) are amended to read in part:

VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
EPT-VOR	LAF-VOR	Direct	2000	T-dn	300–1	300–1	
				C-d#	900–1	900–1	
				S-n#	900–1½	900–1½	
				S-d#-13	900–1	900–1	
				S-n#-13	900–1½	900–1½	
				A-dn#	900–1½	900–1½	
				#Following minimums apply after passing R-018 EPT-VOR:			
				C-d	600–1	600–1	
				C-n	600–1½	600–1½	
				S-d-13	500–1	500–1	
				S-n-13	500–1½	500–1½	
				A-dn	800–2	800–2	

Procedure turn West side of crs, 322° Outbnd, 142° Inbnd, 2000′ within 10 mi.
Minimum altitude over facility on final approach crs, 1500′.
Crs and distance, Facility to airport, 142°—10.4 mi.
Minimum altitude after passing EPT-VOR R-018 on final approach crs, 1200′.
Crs and distance after passing EPT-VOR R-018 to airport, 142°—3.4 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 6.0 mi of LAF-VOR or 2.8 miles of EPT R-018, climb to 2300′ on R-142 within 20 miles.
AIR CARRIER NOTE: Use of sliding scale reduction in landing visibiity, or reduction in takeoff minimums not authorized for night operations, or for day operations when visibility below ¾ mi.
#Dual omni receivers required for lower minimums.

City, Lafayette; State, Ind.; Airport Name, Purdue University; Elev., 607′; Fac. Class, VOR; Ident., LAF; Procedure No. 1, Amdt. 2; Eff. Date, 13 June 59; Sup. Amdt. No. 1; Dated, 7 Feb. 59

PROCEDURE CANCELLED, EFFECTIVE 13 JUNE 59.

City, Oakland; State, Calif.; Airport Name, Metropolitan Oakland International; Elev., 5′; Fac. Class, BVOR; Ident., OAK; Procedure No. 1, Amdt. 1; Eff. Date, 1 Feb. 58; Sup. Amdt. No. Orig.; Dated, 5 Feb. 55

PROCEDURE CANCELLED, EFFECTIVE 13 JUNE 59.

City, Oakland; State, Calif.; Airport Name, Metropolitan Oakland International; Elev., 5′; Fac. Class, BVOR; Ident., OAK; Procedure No. 2, Amdt. 1; Eff. Date, 1 Feb. 58; Sup. Amdt. No. Orig.; Dated, 5 Feb. 55

Valdosta RBn	VLD-VOR	Direct	1400	T-dn	300–1	300–1	200–½
				C-dn	500–1	500–1	500–1½
				S-dn-35	400–1	400–1	400–1
				A-dn	800–2	800–2	800–2

Radar Transitions: From R-270 to R-100, 1500′ within 30 miles of VLD-VOR. From R-100 to R-270, 1500′ within 15 mi of VLD-VOR.
Procedure turn *West side of crs, 183° Outbnd, 003° Inbnd, 1400′ within 10 miles.
Minimum altitude over facility on final approach crs, 900′.
Crs and distance, facility to airport, 003—5.8.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.8 miles, make left turn, climbing to 1500′ intercepting R-345 of VLD-VOR within 20 mi.
*Procedure turn nonstandard to provide separation from Moody AFB traffic.

City, Valdosta; State, Ga.; Airport Name, Valdosta; Elev., 203′; Fac. Class, BVOR; Ident., VLD; Procedure No. 1, Amdt. 5; Eff. Date, 13 June 59; Sup. Amdt. No. 4; Dated, 14 Jan. 54

3. The terminal very high frequency omnirange (TerVOR) procedures prescribed in § 609.200 are amended to read in part:

TERMINAL VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Decoto Int	Fremont FM HW	Direct	4000	T-dn	300–1	300–1	#200–½
SFO Gap RBn	Fremont FM HW	Direct	4000	C-dn	500–1	600–1	600–1½
Bay Point FM	Fremont FM HW	Direct	6000	A-dn	800–2	800–2	800–2
Richmond Int	Fremont FM HW	Direct	4000				
OAK LFR	Fremont FM HW	Direct	4000				
Fremont FM HW	Mt. Eden Int (Final)	300°—6.0	1900				
*Mt. Eden Int	OAK TVOR	300°—7.0	500				
OAK TVOR	Fremont FM HW	Direct	4000				

Standard procedure turn NA. All maneuvering and descent shall be accomplished in the **Fremont FM-HW LFR holding pattern. Minimum altitude 4000′. Descent to 3500′ authorized to cross Fremont FM-HW on final approach crs Inbnd.
Minimum altitude over facility on final approach crs, 500′%. Descent to airport minimums authorized after passing Mt. Eden Int.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.0 mile, climb to 2000′ in a one-minute right turn holding pattern on R-300 (120° inbnd, 300° Outbnd).
All turns West side of crs.
NOTES: Missed or discontinued approach must not cross OAK TVOR above 1500′. ADF and dual VOR equipment required.
#300–1 required for takeoff on Rnwy 33.
*Int of OAK TVOR R-120 and 047° brng to Hayward RBn, or Int of OAK TVOR R-120 and SFO TVOR R-066.
**Fremont EM HW or Int of OAK TVOR R-120 and SFO TVOR R-083.
% 600′ required for aircraft with stall speed more than 65 knots.

City, Oakland; State, Calif.; Airport Name, Met. Oakland Int'l.; Elev. 5′; Fac. Class, BVOR; Ident., OAK; Procedure No. Ter VOR (R-120); Amdt. Orig.; Eff. Date, 13 June 59

TERMINAL VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Sargo Int	Abeam LPT RBn (Final)	092°—8.4	700	T-dn	300-1	300-1	#200-½
Surf Int	SAN-TVOR	Direct	2500	C-dn	800-2	800-2	800-2
La Jolla FM/Int	SAN-TVOR R-272 at 5 mi from SAN-TVOR.	190*—5.0	1500	S-dn-9	600-1	600-1	600-1
				A-dn	800-2	800-2	800-2
Coronado RBN-FM	SAN-TVOR	Direct	1500				
Jamul RBN	SAN-TVOR	Direct	3600				
Lemon Grove Int	SAN-TVOR	Direct	2500				

Procedure turn S side crs, 272° Outbnd, 092° Inbnd, 1500' within 10 miles.
Minimum altitude over facility on final approach crs, 600'*.
Crs and distance, breakoff point to approach end Rnwy 9, 092°—1.4 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile, turn right, climb to 2000' on SAN TVOR R-137 to Coronado RBn/FM or, when directed by ATC if visual contact not established abeam Loma Portal RBn, make left climbing turn, climb to 2500' on SAN TVOR R-235 to La Jolla Int.
#300-1 required for take-off on all runways except 27.
* On La Jolla transition recommended that aircraft cross final approach radial on 190° heading, then execute approximately 270° clockwise turn to Inbnd crs of 092°.
** Descent below 700' MSL NA until abeam Loma Portal RBn.

City, San Diego; State, Calif.; Airport Name, Lindbergh Fld.; Elev., 15'; Fac. Class, TVOR; Ident., SAN; Procedure No. Ter VOR-9, Amdt. 2; Eff. Date, 13 June 59; Sup. Amdt. No. 1; Dated, 1 June 57

4. The instrument landing system procedures prescribed in § 609.400 are amended to read in part:

ILS STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.
If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Austin VOR	LOM	Direct	2000	T-dn#	300-1	300-1	200-½
Austin RBn	LOM	Direct	2000	C-dn	400-1	500-1	500-1½
Smithville RBn	LOM	Direct	2000	S-dn-30L	200-½	200-½	200-½
Bergstrom RBn	LOM	Direct	2000	A-dn	600-2	600-2	600-2

Radar terminal area maneuvering altitude within 20 mi and clockwise around AUS radar antenna site; 345° to 215°—2000'; 215° to 345°—2500'.
Radar control must provide 3 mi or 1000' vertical separation; *or* 3 to 5 mi and 500' vertical separation from radio towers 1680' msl 23 mi WNW, 2049' msl 9 mi NW and 1054' msl 14 mi N.
Procedure turn E side SE crs, 125° Outbnd, 305° Inbnd, 2200' within 10 miles. Beyond 10 mi NA.
Minimum altitude at G.S. int inbnd, 2200'.
Altitude of G.S. and distance to approach end of Rnwy at OM, 2200'—4.8 mi; at MM, 800'—0.5 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 3000' on NW crs ILS (305°) within 20 miles or, when directed by ATC, (1) turn right, climb to 2000', proceed direct to VOR or (2) turn right, climb to 2000', proceed direct to AUS RBn.
#All aircraft are restricted to 300-1 minima for take-off on Runways 3-21, 16L-34R, and 12L-30R.

City, Austin; State, Tex.; Airport Name, Mueller; Elev., 631'; Fac. Class, ILS; Ident., IAUS; Procedure No. ILS-30L, Amdt. 17; Eff. Date, 13 June 59; Sup. Amdt. No. 16 (ILS portion of Comb. ILS-ADF); Dated, 18 Feb. 58

Chatham RBn	NE crs ILS	095—14.5	1900	T-dn	300-1	300-1	200-½
Int NW crs LGA LFR and NE crs ILS	OM (Final)	Direct	1800	C-dn	600-1	600-1	600-1½
Patterson RBn	NE crs ILS (Final)	161—7.5	1800	S-dn-22*	300-¾	300-¾	300-¾
Teterboro LMM	OM (Final)	Direct	1800	A-dn	600-2	600-2	600-2
Newark LFR	NE crs ILS	058—2.1	1800				

Radar vectors may be used to effect above transitions.
Radar transitions:
058 090 within 20 mi. 2500'.
090 058 within 20 mi. 2000'.
S quad EWR-LFR within 15 mi. 1500'.
Procedure turn W side NE crs, 037° outbnd, 217° inbnd, 1800' within 10 miles.
Minimum altitude at G.S. int inbnd, 1800'.
Altitude of G.S. and distance to appr end of Rny at OM 1763—6.1; at MM 210—0.6.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished make climbing right turn to 2000' direct to Chatham RBn or, as directed by ATC, climb to 1500' on SW crs ILS to the outer compass locator serving Runway 4.
CAUTION: 50' hangar row 200' east of approach light lane between MM and end of Rnwy 22.
CAUTION: Procedure turn accomplished over Teterboro LMM. Teterboro OM and Newark OM at approximately same geographic location and signals are simultaneously keyed to indicate one OM serving two ILS systems.
MINOR CHANGE: Deletes superfluous line printed in error following missed approach.
*600-1 required when glide path inoperative.

City, Newark; State, N.J.; Airport Name, Newark; Elev., 18'; Fac. Class, ILS; Ident., ARK; Procedure No. ILS-22, Amdt. 3; Eff. Date, 13 June 59; Sup. Amdt. No. 2; Dated, 9 May 59

These procedures shall become effective on the dates indicated on the procedures.

(Secs. 313(a), 307(c); 72 Stat. 752, 749; 49 U.S.C. 1354(a), 1348(c))

Issued in Washington, D.C., on May 12, 1959.

E. R. QUESADA,
Administrator.

[F.R. Doc. 59-4215; Filed, May 29, 1959; 8:45 a.m.]

[Amdt. 119]

PART 609—STANDARD INSTRUMENT APPROACH PROCEDURES

Miscellaneous Alterations

The new and revised standard instrument approach procedures appearing hereinafter are adopted to become effective and/or canceled when indicated in order to promote safety. The revised procedures supersede the existing procedures of the same classification now in effect for the airports specified therein. For the convenience of the users, the revised procedures specify the complete procedure and indicate the changes to the existing procedures. Compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act would be impracticable and contrary to the public interest, and therefore is not required.

Part 609 is amended as follows:

1. The automatic direction finding procedures prescribed in § 609.100(b) are amended to read in part:

ADF STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Columbia LFR	LOM	Direct	1500	T-dn	300–1	300–1	200–½
Columbia VOR	LOM	Direct	1500	C-dn	400–1	500–1	500–1½
Steedman Int	LOM	Direct	1500	S-dn-5	400–1	400–1	400–1
				A-dn	800–2	800–2	800–2

Procedure turn South side SW crs, 226° Outbnd, 046° Inbnd, 1500′ within 10 miles.
Minimum altitude over facility on final approach crs, 1000′.
Crs and distance, facility to airport, 046°—3.9 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.9 miles after passing LOM, climb to 2000′ on crs of 046°, intercept and proceed outbound on NW crs of LFR or R-005 of VOR within 20 miles or, when directed by ATC, climb to 2000′ on West then East crs of LFR or R-080 of VOR within 20 miles.

City, Columbia; State, S.C.; Airport Name, Columbia; Elev., 244′; Fac. Class, LOM; Ident., CA; Procedure No. 1, Amdt. 3; Eff. Date, 20 June 59; Sup. Amdt. No. 2 (ADF portion of Comb. ILS-ADF); Dated, 6 July 57

Scotland RBn	IDL RBn	Direct	1000	T-dn	300–1	300–1	200–½
Radar Terminal Area Transitions	All directions	Within 25 miles	2500	C-dn	500–1	500–1	500–1½
	E of NE-SW crs of LGA-LFR	Within 15 miles	1500	S-dn-4L	400–1	400–1	400–1
				A-dn	800–2	800–2	800–2

Procedure turn South side of crs 223° Outbnd, 043° Inbnd, 1200′ within 10 miles of OM/RBn.
Minimum altitude over facility on final approach crs, 700′.
Crs and distance, facility to airport, 043°—2.5 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.5 miles after passing OM/RBn, climb to 800′ on crs of 043° from OM/RBn, then make a right climbing turn to 1500′ and proceed to Lido RBn and hold SW. Contact Idlewild approach control for further instructions.
CAUTION: Circling landing minimums do not provide standard clearance over airport control tower and stack 278′ MSL 1.7 miles SSE of airport.

City, New York; State, N.Y.; Airport Name, International; Elev., 12′; Fac. Class, MHW; Ident., IDL; Procedure No. 1, Amdt. 17; Eff. Date, 20 June 59; Sup. Amdt. No. 16 (ADF portion of Comb. ILS-ADF); Dated, 25 Jan. 58

2. The very high frequency omnirange (VOR) procedures prescribed in § 609.100(c) are amended to read in part:

VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Key West LFR	EYW-VOR	Direct	1300	T-dn	300–1	300–1	200–½
				C-dn	500–1	500–1	500–1½
				A-dn*	800–2	800–2	800–2

Procedure turn W side crs, 317° Outbnd, 137° Inbnd, 1300′ within 10 mi. Beyond 10 mi NA.
Minimum altitude over facility on final approach crs, 800′.
Crs and distance, acility to airport, 137—1.7.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 1.7, climb to 1100′ on R-137 within 20 miles.
NOTE: Weather service available to general public 06:00–22:00 EST. Runway lighting available on request to EYW radio.
*Authorized only during hours that weather is being reported.

City, Key West; State, Fla.; Airport Name, International; Elev., 4′; Fac. Class, BVOR; Ident., EYW; Procedure No. 1, Amdt. 5; Eff. Date, 20 June 59; Sup. Amdt. No. 4' Dated, 7 Jan. 56

VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
JOT LFR	JOT VOR	Direct	1800	T-dn C-d C-n A-dn	300-1 700-1 700-2 NA	300-1 700-1 700-2 NA	

Procedure turn West side of crs 001° Outbnd., 181° Inbnd., 1800′ within 10 mi.
Minimum altitude over facility on final approach crs, 1300′.
Crs and distance, facility to airport, 211°—8.2 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 8.2 miles after passing JOT VOR, make left turn, climbing to 2000′ and proceed direct to JOT VOR.
CAUTION: Airport without weather reporting service.
NOTE: No tower.

City, Morris; State, Ill.; Airport Name, Morris; Elev., 588′; Fac. Class, BVOR; Ident., JOT; Procedure No. 1, Amdt. Orig.; Eff. Date, 20 June 59

3. The terminal very high frequency omnirange (TerVOR) procedures prescribed in § 609.200 are amended to read in part:

TERMINAL VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.
If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				T-dn C-dn A-dn	1500-2 1500-2 1500-3		

Procedure turn S side of crs, 105° Outbnd, 285° Inbnd. 9000′ within 10 mi of DRO-TVOR.
Facility on airport.
Minimum Altitude over facility on final approach crs, 8200′.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.0 mile, turn left, climb to Falfa Int* on DRO R-259, proceed to Farmington VOR on R-014 at 8800′.
CAUTION: No control area. Pilots using Durango TVOR shall, as soon as practicable, advise Durango TVOR (on 122.1 MCS) of their position, altitude, ETA, and intentions, and thereafter determine that adequate separation exists from other reported users of navigational facilities in the area. In instances where other aircraft have previously contacted Durango TVOR, hold between facility and a point two minutes out on final approach course at least 1000′ above procedure turn altitude and 1000′ above previously reported traffic until advised that aircraft making approach has landed. Keep Durango TVOR advised (on 122.1 MCS) at all times of changes in altitudes and position in order that other aircraft may also receive this information.
NOTES: Use of procedure authorized only when communications available (Communications available—0500-2200 local time). Facility owned by City of Durango, Colo. Durango receives communications on 122.1 MCS; transmits on TVOR frequency 108.2 MCS.
*Int Durango TVOR R-255 and Farmington VOR R-014.

City, Durango; State, Colo.; Airport Name, Durango-La Plata County; Elev., 6684′; Fac. Class, TVOR (nonfederal facility); Ident., DRO; Procedure No. TerVOR (R-105), Amdt. Orig.; Eff. Date, 20 June 59

OM or 5 mi Radar Fix	VOR (Final)	133—5.0	1000	T-dn C-dn* S-dn*-13 A-dn	300-1 400-1 400-1 800-2	300-1 500-1 400-1 800-2	200-½ 500-1½ 400-1 800-2

Radar transition altitude within 20 mi radius of airport 2000′ MSL. Radar control must provide 3 mi or 1000′ vertical separation; or 3 to 5 mi and 500′ vertical separation from radio towers: 2349′ MSL 15 mi SSE; 1743′ MSL 12 mi WSW; 1221′ MSL 6 mi N.
Procedure turn #N side crs, 313° Outbnd, 133° Inbnd, 2200′ within 10 mi.
Facility on airport.
Minimum altitude over facility on final approach crs, *1000′.
Crs and distance, breakoff point to appr end Rnwy 13, 129°—0.91 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 2600′ on ACF R-130 within 20 mi or, when directed by ATC, turn right, climb to 2000′, proceed to Lucas Int via ACF R-206.
*If Carter OM or 5 mi radar fix not received, descent below 1200′ MSL NA and ceiling minimum is 600′.
#Procedure turn nonstandard due ATC requirements.

City, Fort Worth; State, Tex.; Airport Name, Amon Carter; Elev., 568′; Fac. Class, VORTAC; Ident., ACF; Procedure No. TerVOR-13, Amdt. 1; Eff Date, 20 June 59; Sup. Amdt. No. Orig.; Dated, 7 Mar. 59

*Abram Int or 4 mi radar fix	VOR	012—4.0	**1000	T-dn **C-dn **S-dn-35 A-dn	300-1 400-1 400-1 800-2	300-1 500-1 400-1 800-2	200-½ 500-1½ 400-1 800-2

Radar transition altitude within 20 mi radius of radar site 2000′ MSL. Radar control must provide 3 mi or 1000′ vertical separation; or 3 to 5 mi and 500′ vertical separation from radio towers: 2349′ MSL 15 mi SSE. 1743′ MSL 12 mi WSW, 1221′ MSL 6 mi N.
Procedure turn #W side of crs, 192° Outbnd, 012° Inbnd, 2000′ within 10 mi.
Facility on airport.
Minimum altitude over facility on final approach crs, **1000′.
Crs and distance, breakoff point to approach end of Rnwy 35, 350°—0.92 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished after passing VOR, turn left, climbing to 2000′ on ACF R-340.
*Int ACF VOR R-192 and DAL VOR R-226.
**If Abram Int or 4 mile radar fix not received, descent below 1200′ NA and ceiling minimum is 600′.
#Procedure turn nonstandard due obstruction.

City, Fort Worth; State, Tex.; Airport Name, Amon Carter; Elev., 568′; Fac. Class, VORTAC; Ident., ACF; Procedure No. TerVOR-35, Amdt. 1; Eff. Date, 20 June 59; Sup. Amdt. No. Orig.; Dated, 7 Mar. 59

4. The instrument landing system procedures prescribed in § 609.400 are amended to read in part:

ILS STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Akron LFR	LOM	Direct	2500	T-dn	300–1	300–1	200–½
Navarre VOR	LOM (Final)	Direct	2400	C-dn	400–1	500–1	500–1½
Int Navarre R–321 and 090° brng to LOM	LOM	Direct	2500	S-dn–1*	200–½	200–½	200–½
Int Navarre R–281 and 061° brng to LOM	LOM	Direct	2500	A-dn	600–2	600–2	600–2

Procedure turn E side S crs 186 Outbnd, 006 Inbnd, 2500′ within 10 mi.
Minimum altitude at glide slope int inbnd: 2400′.
Altitude of glide slope and distance to approach end of runway at OM—2410–3.8; at MM—1450–0.7.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 2500′ on N crs of Akron ILS, to Derby Int. Hold N on the N crs of Akron ILS, one minute, left turns or, when directed by ATC, (1) Climb to 2500′ on N crs Akron ILS within 10 miles of airport or (2) Make a right climbing turn and return to LOM at 2500′.
CAUTION: Glide Slope not useable Inbound from Middle Marker. Satisfactory for authorized minimums.
*400–¾ required with glide slope inoperative.

City, Akron; State, Ohio; Airport Name, Akron-Canton; Elev., 1228′; Fac. Class, ILS; Ident., CAK; Procedure No. ILS–1, Amdt. 11; Eff. Date, 20 June 59; Sup. Amdt. No. 10; Dated, 11 April 59

New Baltimore Int	Addyston FM	Direct	2100	T-dn	300–1	300–1	200–½
New Baltimore Int	Addyston FM (Final)	Direct	1600	C-dn	400–1	500–1	500–1½
Union Int	Addyston FM	Direct	2300	S-dn–18	400–1	400–1	400–1
Cincinnati VOR	Addyston FM	Direct	2300	A-dn	800–2	800–2	800–2

Procedure turn W side N crs, 360° Outbnd, 180° Inbnd, 2100′ within 5 mi of Addyston FM.
No glide slope or markers. Descend to authorized landing minimums after passing Addyston FM. Distance and brng to Rnwy 18 5.0–180. Minimum altitude over Addyston FM 1600′.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.0 miles after passing Addyston FM, climb to 2000 feet on South crs ILS to LOM.
MAJOR CHANGE: Deletes transition from Camden Int.

City, Cincinnati; State, Ohio; Airport Name, Greater Cincinnati; Elev., 890′; Fac. Class, ILS; Ident., CVG; Procedure No. 2, Amdt. 5; Eff. Date, 20 June 59; Sup. Amdt. No. 4; Dated, 22 Aug 56

Columbia LFR	LOM	Direct	1500	T-dn	300–1	300–1	200–½
Columbia VOR	LOM	Direct	1500	C-dn	400–1	500–1	500–1½
Steedman Int	LOM	Direct	1500	S-dn–5*	200–½	200–½	200–½
				A-dn	600–2	600–2	600–2

Procedure turn S side SW crs, 226° Outbnd, 046° Inbnd, 1500′ within 10 mi.
Minimum altitude at G.S. int inbnd, 1500′.
Altitude of G.S. and distance to appr end of rny at OM 1440—3.9, MM 402—0.5.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, climb to 2000′ on crs of 046°, intercept and proceed outbound on NW crs of LFR or R–005 of VOR within 20 mi or, when directed by ATC, climb to 2000′ on West then East crs of LFR or R–080 of VOR within 20 miles.
*400–¾ required when glide slope not utilized.

City, Columbia; State, S.C.; Airport Name, Columbia; Elev., 244′; Fac. Class, ILS; Ident., ICAE; Procedure No. ILS–5, Amdt. 3; Eff. Date, 20 June 59; Sup. Amdt. No. 2 (ILS portion of Comb. ILS–ADF); Dated, 6 July 57

Maxwell LFR	LOM	Direct	1500	T-dn	300–1	300–1	200–½
Montgomery VOR	LOM	Direct	1500	C-dn	400–1	500–1	500–1½
Catona Int	LOM	Direct	1700	S-dn–9*	200–½	200–½	200–½
Craig Int	LOM (Final)	Direct	1700	A-dn	600–2	600–2	600–2
Calhoun Int	LOM	Direct	1500				
Swift Creek Int	LOM	Direct	1500				
Sellers Int	LOM	Direct	2500				
Radar Terminal Area Transition Altitudes:							
Within 15 mi			2000				
Within 30 mi			3000				

Procedure turn S side W crs, 273° Outbnd, 093° Inbnd, 1700′ within 10 mi. Beyond 10 mi NA.
Minimum altitude at glide slope int inbnd, 1700′.
Altitude of glide slope and distance to appr end of Rny at OM, 1700′—5.1; at MM, 435′—0.6.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, climb to 2000′ on E crs ILS or 1800′ on R–127 MGM-VOR within 20 mi.
CAUTION: Tower 987′ MSL, 8 mi East.
*400–¾ required when Glide Slope not used.

City, Montgomery; State, Ala.; Airport Name, Dannelly Fld.; Elev., 221′; Fac. Class, ILS; Ident., I–MGM; Procedure No. ILS–9, Amdt. 5; Eff. Date, 20 June 59; Sup. Amdt. No. 4; Dated, 21 June 58

Scotland RBn	LOM (Final)	Direct	1000	T-dn*	300–1	300–1	200–½
Colts Neck VOR via R–063	ILS SW crs	063—14.2	1400	C-dn	500–1	500–1	500–1½
Radar Terminal Area Transitions:				S-dn–4L*	200–½	200–½	200–½
All directions		Within 25 mi	2500	A-dn	600–2	600–2	600–2
E of NE-SW crs of LGA–LFR		Within 15 miles	1500				

Procedure turn S side SW crs ILS, 223° Outbnd, 043° Inbnd, 1200′ within 10 mi of LOM.
Minimum altitude at Glide Slope interception inbnd, 1000′.
Altitude of glide slope and distance to approach end of rny at LOM—770—2.5; at MM—230—0.6.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 500′ on NE crs of ILS, then make a climbing right turn to 1500′ and proceed to Lido RBn and hold SW. Contact Idlewild approach control for further instructions.
CAUTION: Circling landing minimums do not provide standard clearance over airport control tower and stack 278′ MSL 1.7 miles SSE of airport.
*Runway Visual Range 2600′ also authorized for takeoff and landing on Runway 4L; provided that all components of the ILS, high intensity runway lights, approach lights, condenser-discharge flashers, middle and outer compass locators and all related airborne equipment are in satisfactory operating condition. Descent below 212′ MSL shall not be made unless visual contact with the approach lights has been established or the aircraft is clear of clouds.

City, New York; State, N. Y.; Airport Name, International; Elev., 12′; Fac. Class, ILS; Ident., IDL; Procedure No. ILS–4, Amdt. 17; Eff. Date, 20 June 59; Sup. Amdt. No. 16 (ILS portion of Comb. ILS–ADF); Dated, 25 Jan. 58

5. The radar procedures prescribed in § 609.500 are amended to read in part:

RADAR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet, MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If a radar instrument approach is conducted at the below named airport, it shall be in accordance with the following instrument procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitude(s) shall correspond with those established for en route operation in the particular area or as set forth below. Positive identification must be established with the radar controller. From initial contact with radar to final authorized landing minimums, the instructions of the radar controller are mandatory except when (A) visual contact is established on final approach at or before descent to the authorized landing minimums, or (B) at pilot's discretion if it appears desirable to discontinue the approach, except when the radar controller may direct otherwise prior to final approach, a missed approach shall be executed as provided below when (A) communication on final approach is lost for more than 5 seconds during a precision approach, or for more than 30 seconds during a surveillance approach; (B) directed by radar controller; (C) visual contact is not established upon descent to authorized landing minimums; or (D) if landing is not accomplished.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
All directions	Radar Site	Within 25 mi	1500	Surveillance approach			
				T-dn-15 and 33	300-1	300-1	200-½
				C-dn-15 and 33	500-1	500-1	500-1½
				*S-dn-15	500-1	500-1	500-1½
				S-dn-33	400-1	400-1	400-1
				A-dn-15 and 33	800-2	800-2	800-2

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 1500' straight ahead, then proceed to Lake Charles RBn or VOR.

NOTE: Descent below 1500' NA until within 5.0 miles of end of runway.

*Descent below 600' NA for Runway 15 until within 3.0 miles of end of Runway.

City, Lake Charles; State, La.; Airport Name, Chennault AFB; Elev., 19'; Fac. Class, Chennault; Ident., Radar; Procedure No. 1, Amdt. Orig.; Eff. Date, 20 June 59

All directions	Radar site	Within 25 mi	2500	Precision approach			
E of NE-SW ers of LGA-LFR	Radar site	Within 15 mi	1500				
				T-dn*	300-1	300-1	200-½
				C-dn-all	500-1	500-1	500-1½
				S-dn-4*	200-½	200-½	200-½
				A-dn-4	600-2	600-2	600-2
				A-dn-all	800-2	800-2	800-2

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 500' on heading of 043, make a climbing right turn to 1500' and proceed to Lido MHW and hold SW.

Contact Idlewild approach control for further instructions.

CAUTION: Ceiling minimums do not provide standard clearance over 278' stack 1.7 mi SSE of Runway 4R and 165' airport control tower.

*Runway Visual Range 2600' also authorized for takeoff and landing on Runway 4-L; provided that all components of the PAR, high intensity runway lights, approach lights, condenser-discharge flashers, middle and outer compass locators and all related airborne equipment are in satisfactory operating condition. Descent below 212' MSL shall not be made unless visual contact with the approach lights has been established or the aircraft is clear of clouds.

City, New York; State, N.Y.; Airport Name, International; Elev., 12'; Fac. Class, Idlewild; Ident., Radar; Procedure No. 1, Amdt. 11; Eff. Date, 20 June 59; Sup. Amdt. No. 10; Dated, 25 Jan. 58

These procedures shall become effective on the dates indicated on the procedures.

(Secs. 313(a), 307(c); 72 Stat. 752, 749; 49 U.S.C. 1354(a), 1348(c))

Issued in Washington, D.C., on May 21, 1959.

JAMES T. PYLE,
Acting Administrator.

[F.R. Doc. 59-4456; Filed, May 29, 1959; 8:45 a.m.]

Title 7—AGRICULTURE

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Valencia Orange Reg. 167]

PART 922—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 922.467 Valencia Orange Regulation 167.

(a) *Findings.* (1) Pursuant to the marketing agreement and Order No. 22, as amended (7 CFR Part 922), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said marketing agreement and order, as amended, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (60 Stat. 237; 5 U.S.C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on May 28, 1959.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a.m., P.s.t., May 31,

1959, and ending at 12:01 a.m., P.s.t., June 7, 1959, are hereby fixed as follows:

(i) District 1: 462,000 cartons;

(ii) District 2: 554,400 cartons;

(iii) District 3: Unlimited movement.

(2) All Valencia oranges handled during the period specified in this section are subject also to all applicable size restrictions which are in effect pursuant to this part during such period.

(3) As used in this section, "handled," "handler," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in said marketing agreement and order, as amended.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: May 29, 1959.

S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 59–4609; Filed, May 29, 1959; 11:42 a.m.]

[Grapefruit Reg. 310]

PART 933—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

§ 933.971 Grapefruit Regulation 310.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U.S.C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective as hereinafter set forth. Shipments of all grapefruit, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on May 26, 1959, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of grapefruit, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time of this section.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used in this section, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used in this section, shall have the same meaning as is given to the respective term in the United States Standards for Florida Grapefruit (§§ 51.750 to 51.790 of this title); and the term "mature" shall have the same meaning as set forth in section 601.16 Florida Statutes, Chapters 26492 and 28090, known as the Florida Citrus Code of 1949, as supplemented by section 601.17 (Chapters 25149 and 28090) and also by section 601.18, as amended June 22, 1955 (Chapter 29760).

(2) During the period beginning at 12:01 a.m., e.s.t., June 1, 1959, and ending at 12:01 a.m., e.s.t., August 3, 1959, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any grapefruit, grown in the production area, which are not mature and do not grade at least U.S. No. 2 Russet;

(ii) Any seeded grapefruit, grown in the production area, which are of a size smaller than $3\frac{12}{16}$ inches in diameter, measured midway at a right angle to a straight line running from the stem to the blossom end of the fruit, except that a tolerance of 10 percent, by count, of seeded grapefruit smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in the United States Standards for Florida Grapefruit (§§ 51.750–51.790 of this title); or

(iii) Any seedless grapefruit, grown in the production area, which are smaller than $3\frac{7}{16}$ inches in diameter, measured midway at a right angle to a straight line running from the stem to the blossom end of the fruit, except that a tolerance of 10 percent, by count, of seedless grapefruit smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in said United States Standards for Florida Grapefruit.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: May 28, 1959.

S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 59–4564; Filed, May 29, 1959; 8:50 a.m.]

[Lemon Reg. 794]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 953.901 Lemon Regulation 794.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 23 F.R. 9053), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (60 Stat. 237; 5 U.S.C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The Committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the

period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on May 27, 1959

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a.m., P.s.t., May 31, 1959, and ending at 12:01 a.m., P.s.t., June 7, 1959, are hereby fixed as follows:

(i) District 1: Unlimited movement;

(ii) District 2: 418,500 cartons;

(iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in the said amended marketing agreement and order.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: May 28, 1959.

FLOYD F. HEDLUND,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 59-4590; Filed, May 29, 1959; 9:02 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 7235]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

Opti-Ray, Inc., et al.

Subpart—*Advertising falsely or misleadingly:* § 13.175 *Quality of product or service;* § 13.235 *Source or origin:* Place: *Foreign, in general.* Subpart—*Furnishing means and instrumentalities of misrepresentation or deception:* § 13.1055 *Furnishing means and instrumentalities of misrepresentation or deception;* § 13.1056 *Preticketing merchandise misleadingly.* Subpart—*Misbranding or mislabeling:* § 13.1280 *Price.* Subpart—*Misrepresenting oneself and goods*—Prices: § 13.1805 *Exaggerated as regular and customary;* § 13.1811 *Fictitious preticketing.* Subpart—*Neglecting, unfairly or deceptively, to make material disclosure:* § 13.1900 *Source or origin:* Fur Products Labeling Act: *Place:* Foreign in general.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Opti-Ray, Inc., et al., Brooklyn, N.Y., Docket 7235, May 6, 1959]

In the Matter of Opti-Ray, Inc., a Corporation, and Leo Goldgram, and Irving Goldgram, Individually and as Officers of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a Brooklyn, N.Y., assembler of sunglasses with representing falsely in sales brochures, counter display cards, and other promotional material supplied to jobbers and dealers, and on attached tickets and labels, that lenses in their sunglasses had a diopter curve of 6 and were imported from Europe; with attaching to certain of their sunglasses, labels or tickets bearing fictitious and excessive prices represented thus as usual retail prices; and with failing to disclose clearly that certain sunglasses were manufactured in Japan.

After acceptance of an agreement containing a consent order, the hearing examiner made his initial decision and order to cease and desist which became on May 6 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents Opti-Ray, Inc., a corporation, and its officers, and Leo Goldgram and Irving Goldgram, individually and as officers of said corporate respondent, and said respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of sunglasses and other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing in any manner: (a) That their sunglass lenses have a given diopter curve unless such is the fact.

(b) That merchandise made in whole or in part of components of domestic or Japanese origin is imported from Europe.

(c) That a certain amount is the regular and usual retail price of merchandise when such amount is in excess of the price at which such merchandise is usually and regularly sold at retail.

2. Placing in the hands of jobbers, retailers, dealers, or others, a means and instrumentality by and through which they may deceive and mislead the purchasing public concerning merchandise in the respects set out in Paragraph 1 above.

3. Offering for sale or selling any product the whole or any substantial part of which was made in Japan or any other foreign country without clearly disclosing the country of origin of said product or part thereof.

By "Order Denying Motion To Stay Decision", report of compliance was required as follows:

It is further ordered, That the respondents, Opti-Ray, Inc., a corporation, and Leo Goldgram and Irving Goldgram, individually and as officers of said corporation, shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist contained in said initial decision.

Issued: May 6, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F.R. Doc. 59-4526; Filed, May 29, 1959; 8:46 a.m.]

[Docket 7304]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

Advertisers Associates of America, Inc., et al.

Subpart—*Misrepresenting oneself and goods*—Promotional sales plans: § 13.1830 *Promotional sales plans.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies Sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Advertisers Associates of America, Inc., et al., New York, N.Y., Docket 7304, May 6, 1959]

In the Matter of Advertisers Associates of America, Inc., a corporation; Teleradio Advertisers, Inc., a Corporation; United Publicity, Inc., a Corporation; and Arthur Hammell, Individually and as an Officer of Said Corporations, and Trading as Teleradio Advertisers

This proceeding was heard by a hearing examiner on the complaint of the Commission charging three affiliated New York concerns with selling advertising promotional plans, including contests described as "A Millionaire's Weekend Trip to Las Vegas", "Juvenile Delinquency Essay Contest", and "Safety On the Highways Essay Contest", to radio and television stations and local merchants by means of a variety of misrepresentations.

Following acceptance of an agreement containing consent order, the hearing examiner made his initial decision and order to cease and desist which became on May 6 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That Respondents, Advertisers Associates of America, Inc., a corporation, and its officers; Teleradio Advertisers, Inc., a corporation, and its officers; United Publicity, Inc., a corporation, and its officers; and Arthur Hammell, individually and as an officer of said corporations and trading as Teleradio Advertisers, or trading under any other name or names; and said Respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale or selling of advertising promotional plans and materials in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Withholding any sums of money due radio or television broadcasting stations pursuant to contracts hereafter executed or hereafter endorsing checks made payable to said stations without authority;

2. Hereafter representing directly or by implication: (a) That their sales representatives or agents are representatives or agents of radio or television broadcasting stations, unless such station has authorized such representation;

(b) That only one business of a kind in a specific area will be permitted to advertise a promotional project unless such is the fact;

(c) That all of the leading businessmen in a community are subscribing to or supporting a promotional project;

(d) That subscribing merchants will be allowed to exhibit their merchandise on television or that such merchandise will be picked up at the merchant's place of business prior to the telecast;

(e) That they will run an advertisement in a local newspaper concerning their promotional project;

(f) That they will provide a free trip to Las Vegas for a week-end as a prize to each contest winner as declared by the radio or television broadcasting station, or give in lieu thereof $250.00 to said contest winner, or misrepresenting in any manner the nature of the prize to be awarded in any contest;

(g) That the backdrop advertising used in television broadcast will conform to the sample shown merchants at the time of subscription;

(h) That they will furnish subscribing merchants with a desirable or attractive display bearing the call letters of the radio station; or misrepresenting the nature of the display to be furnished;

(i) That they will change the commercial copy monthly.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the respondents named in the caption hereof shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: May 6, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 59-4527; Filed, May 29, 1959; 8:46 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

PART 3—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

Supplying Pharmacists With Indications and Dosage of Drugs

§ 3.13 [Revocation]

1. Pursuant to the provisions of the Federal Register Act (44 U.S.C. 311) and the regulations thereunder (1 CFR 11.4 (24 F.R. 2346)), Part 3 is amended by revoking § 3.13 since the material contained therein was made obsolete by an amendment to section 503 of the Federal Food, Drug, and Cosmetic Act (sec. 503 (b), 52 Stat. 1052, as amended, 65 Stat. 648, 649; 21 U.S.C. 353(b)).

2. Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 701(a), 52 Stat. 1055, as amended; 21 U.S.C. 371) and delegated to the Commissioner of Food and Drugs by the Secretary (22 F.R. 1045, 23 F.R. 9500), and pursuant to the Administrative Procedure Act (sec. 3, 60 Stat. 237; 5 U.S.C. 1002), the following statement of interpretation is issued:

§ 3.513 **Supplying pharmacists with indications and dosage of drugs.**

There are presently no regulations under the Federal Food, Drug, and Cosmetic Act that prevent a manufacturer of prescription drugs from sending the pharmacist data he needs on indications and dosage in exercising his important professional function of checking against possible mistakes in a prescription. The Food and Drug Administration believes manufacturers should be encouraged to supply such printed matter to the pharmacist for his professional information. Obviously, such printed matter should not be displayed to prospective purchasers to promote over-the-counter sale of prescription drugs.

(Secs. 502(f)(1), 503(b)(1)(B), 52 Stat. 1051, 52 Stat. 1052, as amended 65 Stat. 648, 649; 21 U.S.C. 352(f)(1), 353(b)(1)(B))

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371)

Dated: May 25, 1959.

[SEAL] GEO. P. LARRICK, *Commissioner of Food and Drugs.*

[F.R. Doc. 59-4536; Filed, May 29, 1959; 8:48 a.m.]

PART 3—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

Status of Certain Veterinary Drug Components Under the Food Additives Amendment to the Federal Food, Drug, and Cosmetic Act

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 701(a), 52 Stat. 1055, as amended; 21 U.S.C. 371(a)) and delegated to the Commissioner of Food and Drugs by the Secretary (22 F.R. 1045, 23 F.R. 9500), and pursuant to the provisions of the Administrative Procedure Act (sec. 3, 60 Stat. 237, 238; 5 U.S.C. 1002), the following statement of policy is added to Subpart A of Part 3:

§ 3.37 **Status of certain veterinary drug components under the food additives amendment to the Federal Food, Drug, and Cosmetic Act.**

(a) Section 409(c)(3)(A) of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(3)(A), 72 Stat. 1786; 21 U.S.C. 348(c)(3)(A)) provides that "no additive shall be deemed to be safe if it is found to induce cancer when ingested by man or animal, or if it is found, after tests which are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal." This applies whether such additive becomes a component of food directly or indirectly. A veterinary drug may become a food additive through addition to the animal's feed or drinking water, whether or not residues of the drug become a component of human food derived from the animal. A veterinary drug may become a food additive, regardless of the route of administration if, as a result of its use, residues of the drug or its conversion products become a component of human food derived from the animal.

(b) The following policy will be observed by the Food and Drug Administration in considering new-drug applications and supplements to new-drug applications for veterinary drugs and in considering proposed amendments to the antibiotic-drug regulations for veterinary drugs which fall within the meaning of section 409(c)(3)(A) of the act:

(1) Such a substance may be approved for animal use as a drug pursuant to the provisions of sections 505 and 507 of the act: *Provided*, That any residue of the drug or any conversion product falling within the meaning of section 409(c)(3)(A) of the act does not become a component of human food derived from the treated animal: *And provided further*, That the substance is not administered as a component of feed, including the drinking water supply.

(2) No such substance can be permitted as a component of animal feed or in the drinking water supply, whether or not residues of the drugs or their conversion products become a component of meat, milk, or eggs of the treated animals.

(3) Authorization pursuant to section 505 or 507 of the act for the use of such a substance cannot be granted if the substance or any conversion product falling within the meaning of section 409(c)(3)(A) becomes a component of human food derived from the treated animals.

(4) No supplement or any amendment for any purpose to an existing authorization under sections 505 and 507 for the use of such a substance can be approved if the original application or regulation which it seeks to supplement or amend is not itself one that could be made effective under the policy announced in this statement.

(c) The Food and Drug Administration recognizes that some actions taken under sections 505 and 507 of the act prior to the enactment of section 409(c)(3)(A) might not be possible under the policy stated in this section. The status of these existing authorizations will be reviewed, and if it is concluded that revocation of new-drug applications or amendment of antibiotic regulations will be required in the proper administration of the Federal Food, Drug, and Cosmetic Act appropriate action will be taken.

Effective date. This statement of policy shall become effective upon publication in the FEDERAL REGISTER.

(Sec. 701(a), 52 Stat. 1055, as amended; 21 U.S.C. 371(a). Interprets or applies secs. 409(c), 505, 507, 72 Stat. 1786; 52 Stat. 1052, 1053; 59 Stat. 463, as amended; 21 U.S.C. 348(c), 355, 357)

Dated: May 28, 1959.

[SEAL] GEO. P. LARRICK, *Commissioner of Food and Drugs.*

[F.R. Doc. 59-4567; Filed, May 29, 1959; 8:50 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 1860]

[Los Angeles 099557]

CALIFORNIA

Withdrawing Public Lands for Use By Department of the Navy in Connection With United States Marine Corps Training Center at Twentynine Palms

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355, of May 26, 1952, it is ordered as follows:

1. Subject to valid existing rights and the provisions of existing withdrawals, the following-described public lands in California are hereby withdrawn from all forms of appropriation under the public-land laws, including the mining and mineral-leasing laws, except as hereafter indicated, and reserved for use of the Department of the Navy as an artillery range and Fleet Marine Force support training area in connection with the Marine Corps Training Center at Twentynine Palms:

SAN BERNARDINO MERIDIAN

T. 5 N., R. 5 E.,
Secs. 2, 3, 10, 11, 12, and 24.
T. 6 N., R. 5 E.,
Sec. 1, N½SW¼NW¼, N½S½SW¼NW¼, and SW¼NW¼NW¼;
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 22 to 24, and 26 to 28, inclusive;
Secs. 34 and 35.
T. 7 N., R. 5 E.,
Secs. 2, 3, 8, 10, those portions lying south of right-of-way of Southern California Edison Company;
Secs. 11, 12, 14, and 15;
Secs. 18 and 19, those portions lying south of right-of-way of Southern California Edison Company;
Sec. 20;
Secs. 22 to 24, inclusive;
Sec. 25, SW¼ and S½SE¼;
Secs. 26 to 28, inclusive;
Secs. 30 to 32, inclusive;
Secs. 34 and 35.
T. 2 N., R. 6 E.,
Secs. 1, 2 and 11;
Sec. 12, SW¼, S½NW¼, NW¼NW¼, N½NE¼NW¼, SW¼NE¼NW¼ and W½SE¼NE¼NW¼.
T. 3 N., R. 6 E.,
Secs. 1 to 3, inclusive;
Sec. 4, N½SE¼, N½SW¼ and SW¼SW¼;
Secs. 5 to 15, inclusive;
Secs. 22 to 27, inclusive;
Sec. 34, and N½ and SE¼, sec. 35.
T. 4 N., R. 6 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Sec. 13, S½S½;
Secs. 14 and 15;
Sec. 17, S½ and S½N½;
Secs. 18 to 20, inclusive;
Sec. 21, N½ and SW¼;
Sec. 22, N½, E½SE¼, NW¼SE¼, and NE¼SW¼;
Secs. 23 to 26, inclusive; unsurveyed;
Sec. 27, SE¼, S½SW¼ and NW¼SW¼;
Secs. 28 to 35, inclusive;
Sec. 36, N½ and SE¼, unsurveyed.
T. 5 N., R. 6 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, inclusive;
Secs. 22 and 23;
Sec. 24;
Secs. 26 to 28, inclusive;
Sec. 30;
Sec. 31, N½, SE¼, N½SW¼, SE¼SW¼;
Secs. 32, 34, and 35.
T. 6 N., R. 6 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 7 N., R. 6 E.,
Sec. 4;
Secs. 6 to 8, inclusive;
Secs. 10 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 2 N., R. 7 E.,
Sec. 1;
Sec. 2, E½, SW¼ and E½NW¼;
Sec. 3, W½, SE¼, W½NE¼ and SE¼NE¼;
Secs. 4 to 6, inclusive;
Sec. 7, N½;
Secs. 8 to 15, inclusive;
Sec. 17, NE¼;
Sec. 18, N½ and SE¼.
T. 3 N., R. 7 E.,
Secs. 1 to 15, inclusive;
Secs. 17 to 33, inclusive;
Sec. 34, N½, SW¼ and W½SE¼;
Sec. 35, N½, and SE¼.
T. 4 N., R. 7 E.,
Secs. 2 to 4, 6 to 8, 10 to 12, inclusive;
Secs. 14 and 15;
Sec. 17, S½S½;
Secs. 18 to 24, inclusive, partly unsurveyed;
Sec. 25, SW¼;
Secs. 26 to 35, inclusive, partly unsurveyed.
T. 5 N., R. 7 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 6 N., R. 7 E.,
Secs. 2 to 4, 6 to 8, inclusive, 10 and 11;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 7 N., R. 7 E.,
Secs. 19 and 20;
Secs. 22, 23, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 2 N., R. 8 E.,
Sec. 1;
Sec. 2, N½, SE¼ and W½SW¼;
Secs. 3 to 10, inclusive;
Sec. 11, W½ and SE¼;
Sec. 12, NE¼, E½SE¼, NW¼SE¼, SW¼SW¼ and N½NW¼;
Sec. 13, W½, SE¼ and S½NE¼;
Secs. 14, 15, 17 and 18;
Sec. 24, E½NE¼, SW¼NE¼, N½NW¼NE¼SW¼NW¼NE¼ and N½SE¼NW¼NE¼.
T. 3 N., R. 8 E.,
Secs. 2 to 4, inclusive;
Sec. 5, S½ and W½NW¼;
Secs. 6 to 8, inclusive;
Sec. 9, W½ and SE¼;
Secs. 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 17 to 19, inclusive;
Sec. 20, N½, SW¼, W½SE¼ and SE¼SE¼;
Secs. 21 to 35, inclusive, partly unsurveyed;
Sec. 36, N½ and SE¼, unsurveyed.
T. 4 N., R. 8 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 5 N., R. 8 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 6 N., R. 8 E.,
Secs. 19 and 20;
Secs. 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 2 N., R. 9 E.,
Secs. 1 to 15, inclusive;
Sec. 17;
Sec. 18, E½ and NE¼SW¼;
Sec. 19, NE¼, NE¼SE¼ and E½NW¼;
Secs. 20 to 24, inclusive;
Sec. 27, W½;
Sec. 28;
Sec. 29, E½, E½W½ and NW¼NW¼;
Sec. 32, NE¼;
Sec. 33, SE¼, E½NE¼ and SW¼NE¼;
Sec. 34, W½NW¼ and NW¼SW¼.
T. 3 N., R. 9 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, and 22 to 24, inclusive;
Sec. 25, W½SW¼;
Secs. 26 to 36, inclusive, partly unsurveyed.
T. 4 N., R. 9 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 5 N., R. 9 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 6 N., R. 9 E.,
Secs. 19 and 20;
Secs. 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 3 N., R. 10 E.,
Secs. 2 to 4, inclusive;
Sec. 5, S½NE¼SE¼, W½SE¼SE¼, SE¼SW¼SE¼;
Secs. 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, and 22 to 24, 26 to 28, and 30 to 32, inclusive;
Sec. 33, SW¼, S½SE¼, S½NW¼;
Secs. 34 and 35.
T. 4 N., R. 10 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 5 N., R. 10 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 3 N., R. 11 E.,
Secs. 2 to 4, 6 to 8, and 10 to 12, inclusive;
Secs. 14 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 4 N., R. 11 E.,
Secs. 3 and 4;
Secs. 6 to 8, inclusive;
Secs. 10 and 15;
Secs. 18 to 20, 22 to 24, 26 to 28, and 30 to 32, inclusive;
Secs. 34 and 35.
T. 5 N., R. 11 E.,
Secs. 6 to 8, inclusive;
Secs. 10 and 15;
Secs. 18 to 20, inclusive;
Secs. 22, 27 and 28;
Secs. 30 to 32, inclusive;
Sec. 34.

T. 3 N., R. 12 E.,
Sec. 4;
Secs. 6 to 8, and 18 to 20, inclusive;
Sec. 28;
Secs. 30 to 32, inclusive.
T. 4 N., R. 12 E.,
Sec. 19, S½;
Sec. 20;
Sec. 28, W½;
Secs. 30 to 32, inclusive.

The areas described aggregate approximately 443,000 acres.

2. The jurisdiction granted by this order is subject to the following conditions:

(a) That all minerals, including oil and gas, in the lands shall remain under jurisdiction of the Department of the Interior, and no disposition of, or exploration for such minerals shall be made except under the applicable mining and mineral leasing laws, and then only after such modifications of the provisions of this order, with concurrence of the Department of the Navy, as may be necessary to permit such disposition.

(b) All hunting, fishing and trapping on the lands shall be in accordance with the fish and game laws of the State of California and shall be subject to safety requirements and military security. The general public shall enjoy the same rights to hunt, fish or trap on the lands as may be afforded to military personnel, their dependents or employees of the Department of Defense.

(c) The Department of the Navy may close roads or trails commonly in public use but only at times when the public safety or national security as determined by the Commanding Officer in charge requires such closure, and appropriate warning notices shall be kept posted during such times.

(d) The Department of the Navy shall take all necessary precautions to prevent and suppress brush and range fires occurring within the withdrawn lands, or outside such lands when resulting from military use. The Department of the Navy may enter into an agreement with the Bureau of Land Management to provide for a transfer of funds for the suppression of range fires by the Bureau of Land Management.

(e) Personnel of the State Department of Fish and Game and the United States Bureau of Sport Fisheries and Wildlife shall have access to the land at appropriate times as may be mutually agreed upon with the Commanding Officer of the installation in charge, for the purpose of conducting investigations and programs for the control of predatory animals, and at all times when hunting, fishing or trapping is being permitted, for enforcement of the game laws.

(f) Personnel of the Bureau of Land Management shall have access to and across the lands, when necessary, and at appropriate times not inconsistent with military requirements, in connection with administration of adjacent public lands, and the Department of the Navy shall designate such times as the necessities therefor arise.

(g) If the use to which the lands or any part of them may be put, shall render them unsuitable or dangerous for use by the public under the public land laws by reason of unexploded ordnance, the Department of the Interior may require that the lands shall be thoroughly decontaminated as a condition precedent to their return to its administration.

(h) It is the intent of this order that the withdrawal and reservation made thereby shall attach to any nonpublic lands or interests in lands in the townships described, upon acquisition by the United States of title to such lands or interests therein.

ROGER ERNST,
Assistant Secretary of the Interior.

MAY 25, 1959.

[F.R. Doc. 59-4528; Filed, May 29, 1959; 8:47 a.m.]

Title 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

SUBCHAPTER F—ALASKA COMMERCIAL FISHERIES

PART 101—DEFINITIONS

PART 104—BRISTOL BAY AREA

PART 115—SOUTHEASTERN ALASKA AREA

Miscellaneous Amendments

Basis and purpose. Following public procedure pursuant to notice of proposed rule making published in the FEDERAL REGISTER on November 14, 1958 (23 F.R. 8874), as modified by a supplemental notice published on November 26, 1958 (23 F.R. 9144), the regulations under Subchapter F—Alaska Commercial Fisheries were revised in their entirety to prescribe conditions and restrictions appropriate to commercial fishing activities generally in Alaska for the 1959 season. The revision of the subchapter was adopted by the Secretary of the Interior on March 7, 1959, and was published in the FEDERAL REGISTER of March 19, 1959 (24 F.R. 2053), to be effective at the beginning of the 30th day following such publication.

With respect to Part 104—Bristol Bay Area, the revised regulations merely defined salmon fishing districts and prescribed limitations upon a personal use fishing with nets; it having been explained by a footnote following the part that the promulgation of the commercial salmon fishery regulations for 1959 in the Bristol Bay Area was being delayed pending clarification of the high seas fishery situation.

By a document issued on April 24, 1959 (24 F.R. 3265), the Secretary of the Interior further revised Part 104, effective May 28, 1959, to prescribe salmon fishery regulations for the Bristol Bay Area. This revision would have imposed a drastic curtailment of red salmon fishing operations in the Bristol Bay Area in the light of an expected small cyclic run of red salmon in 1959 and the prospect of an intense high-seas fishery on these same stocks of fish.

After a thorough review of the situation in the light of recent developments, including discussions with the Japanese Government, regarding the high-seas salmon fishery, it has been concluded that a very limited commercial fishery involving all districts of the Bristol Bay Area may now be authorized. In the areas of the North Pacific frequented by North American red salmon stocks, it is expected that catches will not be sufficiently great to preclude a limited commercial fishery in Bristol Bay, Alaska, on these same stocks in the course of their migration to the spawning grounds. Thus, it now becomes possible to adopt amendments to Part 104 which will permit limited commercial fishing for red salmon in each of the major districts of Bristol Bay.

Developments occurring as the fishing seasons progress on the high seas and in Bristol Bay will be watched closely and such further changes will be made in these regulations as may become necessary in the light of the strength of the run entering Bristol Bay to assure the escapement of not less than 4 million red salmon to the spawning grounds to preserve the resource.

The regulations governing the herring fishery in the Southeastern Alaska Area are being modified to allow the taking of a small quota beginning on June 1 (rather than June 15) over a greater portion of the area to provide research data concerning the herring populations.

A technical amendment is being accomplished in § 101.18 to facilitate operations under Subchapter F.

In view of the considerations expressed above, the regulations under Subchapter F are amended as indicated below.

The amendment to § 101.18 is a technical one relating to agency management. The amendments to Part 104 will have the effect of relieving to a material degree the restrictions which otherwise would be effective May 28 to limit drastically red salmon fishing operations in the Bristol Bay Area. The amendment to § 115.50 will relieve existing restrictions affecting the herring fishery in the Southeastern Alaska Area by allowing a small quota to be taken in an expanded area beginning on June 1, instead of June 15, 1959. In the circumstances, it has been determined that the 30-day advance publication requirement imposed by section 4(c) of the Administrative Procedure Act of June 11, 1946, 60 Stat. 238; 5 U.S.C. 1003(c), may be waived under the exemptions provided in that section. Accordingly, these amendments shall become effective upon publication.

(Sec. 1, 43 Stat. 464, as amended (48 U.S.C. 221), and sec. 6(e), 72 Stat. 340)

Dated: May 28, 1959.

FRED A. SEATON,
Secretary of the Interior.

§ 101.18 [Amendment]

1. Paragraph (a) of § 101.18 is amended to read as follows:

(a) *Secretary.* The Secretary of the Interior or his authorized representative.

2. Section 104.5 is amended to read as follows:

§ 104.5 Seasons.

Fishing, except trolling, is prohibited in all districts prior to June 1, and after August 31.

§ 104.9 [Amendment]

3. Paragraph (a) of § 104.9 is amended to read as follows:

(a) During the period June 22 to July 25, the statutory weekly closed period of 36 hours is extended so as to limit fishing to the number of days per week set out in the following table, wherein the number of days of fishing is governed by the total number of units of gear registered for fishing in the respective districts as of 6 p.m. of the Friday immediately preceding the week in which fishing is permitted.

Naknek-Kvichak	Units of gear by district			Days of fishing per week
	Nushagak	Egegik	Ugashik	
Over 150	Over 324	Over 60	Over 50	1.0
	227–324			2.0
103–150	195–226	49–60	38–50	2.5
79–102	162–194	43–48	31–37	3.0
65–78	130–161	39–42	27–30	3.5
55–64	113–129	37–38	25–26	4.0
54	112	36	24	5.0

4. Paragraph (c) of § 104.9 is amended to read as follows:

(c) Announcement of the total number of registrations for each district will be made locally within 18 hours after the close of registration and by publication in the FEDERAL REGISTER.

§ 104.11 [Amendment]

5. Section 104.11 is amended in paragraph (b) by deleting the date "July 19" and substituting therefor the date "July 25."

§ 104.12 [Amendment]

6. Section 104.12 is amended in paragraph (a) by deleting the date "July 19" and substituting therefor the date "July 25."

7. Section 104.90 is amended to read as follows:

§ 104.90 Open season, salmon.

Personal use fishing with nets is prohibited, except:

(a) Prior to noon June 20 and after noon July 27.

(b) In the Togiak district, set nets may be used at any time.

(c) In the Kvichak-Naknek, Egegik, Ugashik and Nushagak districts, set nets may be used in waters open to commercial fishing from 6 a.m. to 6 p.m. each Saturday.

(d) In the Nushagak district, set nets may be used (1) at any place over 12 miles upstream from waters open to commercial fishing and (2) between Snag Point and Bradford Point if nets do not exceed 15 fathoms in length and if they have been previously registered with the local representative of the Bureau.

§ 115.50 [Amendment]

8. Section 115.50 is amended by deleting the period at the end and adding "and in the combined areas of Icy Strait, except Port Frederick; Lynn Canal south of 58°34'10" N. lat.; and Chatham Strait north of South Passage Point."

[F.R. Doc. 59–4608; Filed, May 29, 1959; 10:59 a.m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE INTERIOR

Oil Import Administration

[32A CFR Ch. X]

[Oil Import Reg. 1]

OIL IMPORT REGULATION

Miscellaneous Amendments

Notice is hereby given that it is proposed to recommend to the Secretary of the Interior that, pursuant to the authority vested in him by section 3 of Proclamation 3279, as amended (24 F.R. 1781, 3527), he amend Oil Import Regulation 1 (24 F.R. 1907, 2622) as set forth below.

Interested persons may present written comments, objections or suggestions with respect to the proposed amendments to the Administrator, Oil Import Administration, Department of the Interior, Washington 25, D.C., on or before Thursday, June 4, 1959.

1. Section 1 "Purpose" and section 2 "Oil Import Administration" of Oil Import Regulation 1 to be amended by adding the words "as amended" after the words "Proclamation 3279."

2. Paragraph (d) of section 4 "Eligibility for Allocations" to be amended to read as follows:

(d) A person is not eligible for an allocation of crude oil and unfinished oils or finished products if the person is a subsidiary or affiliate owned or controlled, by reason of stock ownership or otherwise, by any other individual, corporation, firm or other business organization or legal entity. The controlling person and the affiliates or subsidiaries owned or controlled will be regarded as one for the purposes of eligibility.

The purpose of this amendment is to clarify the intent of paragraph (d).

3. Section 5 and section 6 to be revoked. These sections relate to applications for import licenses for the initial allocation period.

4. Section 7 "Applications for the Allocation Period July 1, 1959, through December 31, 1959, and successive periods" to be amended to read as follows:

With respect to the allocation period July 1, 1959, through December 31, 1959, and each successive allocation period thereafter, an application for allocations of imports of crude oil and unfinished oils or finished products must be filed with the Administrator, in such form as he may prescribe, not later than forty-five calendar days prior to the beginning of the allocation period for which the allocation is required, except that if the forty-fifth day is a Saturday, Sunday, or holiday, the application may be filed on the next succeeding business day.

5. Paragraph (a) of section 8 "Licenses" to be amended as follows:

(a) When an allocation has been made to a person under this regulation, the Administrator shall, upon application in such form as he may prescribe, issue a license or licenses based on the allocation, specifying the amount of crude oil and unfinished oils or finished products which may be imported, the period of time such license shall be in effect, and the districts (Districts I–IV, District V, or Puerto Rico) into which the importation may be made. The Administrator may amend such licenses.

6. Paragraph (a) of section 9 "Determination of quantities available for allocation, Districts I–IV and District V" to be amended to read as follows:

(a) Prior to the beginning of each allocation period, the Administrator shall determine an accordance with the limitations imposed by section 2 of Proclamation 3279, as amended, the quantities of imports of crude oil and unfinished oils which are available for allocation in Districts I–IV and in District V, respectively, and the quantities of imports of residual fuel oil to be used as fuel and of imports of finished products other than residual fuel oil to be used as fuel which are available for allocation in such districts.

7. Paragraphs (a), (b), and (c) of section 10 "Allocations of crude oil and unfinished oils—Districts I–IV" to be amended as follows:

(a) The quantity of imports of crude oil and unfinished oils determined to be available for allocation in Districts I–IV for the allocation period July 1, 1959, through December 31, 1959, shall be allocated by the Administrator among eligible applicants as provided in paragraphs (b) and (c) of this section.

(b) Except as provided in paragraph (c) of this section, each eligible applicant shall receive an allocation based on refinery inputs for the year ending March 31, 1959, and computed according to the following schedule:

Average B/D input:	*Percent of input*
0–10,000	----
10–20,000	----
20–30,000	----
30–60,000	----
60–100,000	----
100–150,000	----
150–200,000	----
200–300,000	----
300,000 plus	----

While it is not contemplated that the "incremental steps" under "Average B/D Input" will be changed, the percentages under "Percent of Input" will be revised to reflect the lower estimated demand for Districts I–IV.

(c) If an eligible applicant has been importing crude oil pursuant to an allocation under the Voluntary Oil Import Program and if an allocation computed under paragraph (b) of this section would be less than 75 percent of the applicant's last allocation of imports of crude oil under the Voluntary Oil Import Program, the applicant shall nevertheless receive an allocation under this section equal to 75 percent of his last allocation of imports of crude oil under the Voluntary Oil Import Program.

This amendment reflects the lower estimated demand in Districts I–IV and makes more explicit the relation of the provision to allocations of imports of crude oil under the Voluntary Oil Import Program.

8. Paragraphs (a), (b), (c), and (d) of section 11 "Allocations of crude oil and unfinished oils—District V" to be amended as follows:

(a) The quantity of imports of crude oil and unfinished oils determined to be available for allocation in District V for the allocation period July 1, 1959, through December 31, 1959, shall be allocated by the Administrator among eligible applicants as provided in paragraphs (b) and (c) of this section.

(b) Except as provided in paragraph (c) of this section, each eligible applicant shall receive an allocation based on refinery inputs for the year ending March 31, 1959, and computed according to the following schedule:

Average B/D input:	*Percent of input*
0–10,000	----
10–20,000	----
20–30,000	----
30–60,000	----
60–100,000	----
100–150,000	----
150–200,000	----
200,000	----

While it is not contemplated that the "incremental steps" under "Average B/D Inputs" will be changed, the percentages under "Percent of Inputs" will be revised to reflect the higher estimated demand in District V.

(c) If an eligible applicant has been importing crude oil pursuant to an allocation under the Voluntary Oil Import Program and if an allocation computed under paragraph (b) of this section would be less than 80 percent of the applicant's last allocation of imports of crude oil under the Voluntary Oil Import Program, the applicant shall nevertheless receive an allocation under this section equal to 80 percent of his last allocation of imports of crude oil under the Voluntary Oil Import Program.

This amendment makes more explicit the relation of this provision to allocations of imports of crude oil under the Voluntary Oil Import Program.

(d) Allocations made pursuant to this section shall not permit the importation of unfinished oils in excess of 10 percent of the permissible imports of crude oil and unfinished oils. With respect to any allocation made pursuant to this section, the Administrator upon request shall issue a license permitting the importation of unfinished oils in an amount not in excess of 10 percent of the allocation. If the total quantity of unfinished oils applied for is less than 10 percent of the permissible imports of crude and unfinished oils, the Administrator may to that extent increase the percentage amount of unfinished oils specified in licenses of persons who request such increases. Each person making such a request shall receive an increase in the proportion that his allocation bears to the total of allocations made to all persons requesting increases.

This amendment will permit some flexibility in District V, where there is a surplus of heavy oils.

9. Section 12 "Allocations of crude oil because of inability to procure domestic crude oil by ordinary and continuous means" to be revoked. This section is based on provisions of Proclamation 3279 which, on and after June 1, 1959, will no longer be in force, pursuant to amendatory Proclamation 3290.

10. Section 15 "Allocation of crude oil and unfinished oils—Puerto Rico" to be amended as follows:

(a) For the allocation period July 1, 1959, through December 31, 1959, the Administrator shall allocate to each eligible applicant for an allocation for Puerto Rico quantities of imports of crude oil and unfinished oils equal to the applicant's average barrels daily of refinery input (adjusted by the Administrator for downtime) in Puerto Rico during the months of July, August, and September of the year 1958.

(b) In the event that the maximum levels of imports of crude oil and unfinished oils are increased or decreased pursuant to paragraph (b) of section 14 the Administrator shall increase or decrease individual allocations in the proportion that each allocation bears to the total allocations of crude oil and unfinished oils.

(c) No allocation made pursuant to this section may be sold, assigned, or otherwise transferred.

11. Section 16 "Allocations of finished products—Puerto Rico" to be amended as follows:

(a) For the allocation period July 1, 1959, through December 31, 1959, the Administrator shall allocate to each eligible applicant for an allocation for Puerto Rico a quantity of imports of finished products equal to the applicant's average barrels daily of imports of such products during the last 6 months of the calendar year 1958. Separate allocations shall be made for imports of residual fuel oil to be used as fuel and of imports of finished products other than residual fuel oil to be used as fuel.

(b) In the event that the maximum levels of imports of crude oil and unfinished oils are increased or decreased pursuant to paragraph (b) of section 14, the Administrator shall increase or decrease individual allocations in the proportion that each allocation bears to the total allocations of crude oil and unfinished oils.

(c) No allocation made pursuant to this section may be sold, assigned, or otherwise transferred.

Consideration also is being given to a recommendation that the base period specified in paragraph (a) be modified.

12. Section 17—"Use of Imported Crude Oil and Unfinished Oils" to be amended to read as follows:

(a) Each person who imports crude oil or unfinished oils under a license issued pursuant to an allocation made under section 10, 11, or 15 of this regulation must process the oils so imported in his own refinery, except that foreign crude oil may be exchanged for either domestic crude oil or domestic unfinished oils and foreign unfinished oils may be exchanged for either domestic unfinished oils or domestic crude oil for processing in such refinery if:

(1) The exchange is not otherwise unlawful;

(2) The exchange is effected on a current basis—that is, not more than ninety days elapse between the delivery of foreign and domestic oil under the exchange agreement; and

(3) The proposed exchange agreement is reported to the Administrator before it is acted upon.

(b) All exchanges must be on an oil-for-oil basis and any exchange involving adjustments, settlements, or accounting on a monetary basis will not be approved by the Administrator.

13. A new paragraph reading as follows will be added to section 18 "Reports":

Each person who exchanges oil pursuant to section 17 of this regulation shall report to the Administrator identifying all parties to the exchange agreement, stating the types and quantities of foreign and domestic oil involved and the schedule for delivering the foreign and domestic oil, and describing the basis on which the exchange rests. Such reports will be available for public inspection. In addition, any changes in the types of oils or the exchange ratio shall be reported.

M. V. CARSON, Jr.,
Administrator,
Oil Import Administration.

MAY 28, 1959.

[F.R. Doc. 59-4565; Filed, May 28, 1959; 12:31 p.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 51]

UNITED STATES STANDARDS FOR SNAP BEANS FOR PROCESSING [1]

Notice of Proposed Rule Making

Notice is hereby given that the United States Department of Agriculture is considering the revision of United States Standards for Snap Beans for Canning or Freezing pursuant to the authority contained in the Agricultural Marketing

[1] Packing of the product in conformity with the requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act.

Act of 1946 (Secs. 202–208, 60 Stat. 1087, as amended; 7 U.S.C. 1621–1627).

Proposed changes in the standards are intended to make them more applicable to current harvesting and processing practices. The maximum diameter of beans in U.S. No. 1 grade would be raised from 2⁴⁄₆₄ inch (4-sieve) to, but not including, 2⁷⁄₆₄ (5-sieve). A minimum diameter size of 1⁵⁄₆₄ inch would be added to both U.S. No. 1 and U.S. No. 2 grades. Under the definition of damage and the definition of serious damage, two subdefinitions would be added covering bruised or punctured beans and broken beans. The terms "culls" and "extraneous material" have been separated and individually defined.

All persons who desire to submit written data, views or arguments for consideration in connection with the proposed standards should file the same with the Chief, Fresh Products Standardization and Inspection Branch, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, South Building, Washington 25, D.C., not later than 30 days after publication hereof in the FEDERAL REGISTER.

The proposed standards, as revised, are as follows:

GRADES

Sec.
51.3240 U.S. No. 1.
51.3241 U.S. No. 2.

CULLS

51.3242 Culls.

SIZE CLASSIFICATIONS

51.3243 Size classifications.

APPLICATION OF STANDARDS

51.3244 Application of standards.

DEFINITIONS

51.3245 Similar varietal characteristics.
51.3246 Fresh.
51.3247 Firm.
51.3248 Succulent.
51.3249 Tender.
51.3250 Fairly well formed.
51.3251 Extraneous material.
51.3252 Damage.
51.3253 Diameter.
51.3254 Similar color.
51.3255 Reasonably similar type.
51.3256 Tough or overmature.
51.3257 Seriously misshapen.
51.3258 Serious damage.

AUTHORITY: §§ 51.3240 to 51.3258 issued under secs. 202–208, 60 Stat. 1087, as amended; 7 U.S.C. 1621–1627.

GRADES

§ 51.3240 U.S. No. 1.

"U.S. No. 1" consists of snap beans of similar varietal characteristics which are fresh, firm, succulent, tender, fairly well formed, free from decay, anthracnose and extraneous material, and free from damage caused by scars, rust, other disease, insects, bruises, punctures, broken ends or other means.

(a) Unless a larger diameter is specified, the maximum diameter of beans in this grade shall be less than 2⁷⁄₆₄ of an inch (maximum diameter of 5 sieve size).

(b) Unless otherwise specified, the minimum diameter of beans in this grade shall be 1⁵⁄₆₄ of an inch.

§ 51.3241 U.S. No. 2.

"U.S. No. 2" consists of snap beans of similar color and reasonably similar type which are fresh, firm, not tough or overmature, not seriously misshapen, and which are free from decay, anthracnose and extraneous material, and free from serious damage caused by scars, rust, other disease, insects, bruises, punctures, broken ends or other means.

(a) There shall be no maximum diameter in this grade.

(b) Unless otherwise specified, the minimum diameter of beans in this grade shall be 1⁵⁄₆₄ of an inch.

CULLS

§ 51.3242 Culls.

"Culls" consists of beans which do not meet the requirements of U.S. No. 2 grade.

SIZE CLASSIFICATIONS

§ 51.3243 Size classifications.

Size classifications have been established by the industry to describe different sizes of beans. If size is specified, it is recommended that one or more of the following designations be used:

Size sieve:	*Diameter*
No. 1	1⁵⁄₆₄ to, but not including, 14·5⁄₆₄ inch.
No. 2	14·5⁄₆₄ to, but not including, 18·5⁄₆₄ inch.
No. 3	18·5⁄₆₄ to, but not including, 2¹⁄₆₄ inch.
No. 4	2¹⁄₆₄ to, but not including, 2⁴⁄₆₄ inch.
No. 5	2⁴⁄₆₄ to, but not including, 2⁷⁄₆₄ inch.
No. 6 and larger	2⁷⁄₆₄ inch and larger.

APPLICATION OF STANDARDS

§ 51.3244 Application of standards.

In determining the grade of a lot of beans, representative samples are drawn from various parts of the lot and mixed together. The composite sample or a portion thereof is sorted into U.S. No. 1 grade, U.S. No. 2 grade, culls and extraneous material, and the percentage, by weight, of each is determined. Under this system, tolerances for beans below grade or for extraneous material are not required in the standards.

DEFINITIONS

§ 51.3245 Similar varietal characteristics.

"Similar varietal characteristics" means that the beans are of the same general type and color. Wax type shall not be mixed with green type, and round, semi-flat and flat types shall not be mixed.

§ 51.3246 Fresh.

"Fresh" means that the bean is not more than slightly wilted.

§ 51.3247 Firm.

"Firm" means that the walls of the bean are reasonably solid, not puffy or spongy.

§ 51.3248 Succulent.

"Succulent" means that the flesh inside of the walls of the bean is translucent and juicy with not more than a slight trace of drying around the seed.

§ 51.3249 Tender.

"Tender" means that the bean is practically free from fiber or strings.

§ 51.3250 Fairly well formed.

"Fairly well formed" means that the bean is not more than moderately curved, crooked, twisted or tapered.

§ 51.3251 Extraneous material.

"Extraneous material" consists of bean vines and leaves, weeds, stones, sticks, loose dirt or other foreign material. All vines attached to beans shall be detached in determining the grade and included with the extraneous material.

§ 51.3252 Damage.

"Damage", unless otherwise specifically defined in this section, means any defect which materially affects the processing quality of the bean. Any one of the following defects, or any combination of defects the seriousness of which exceeds the maximum allowed for any one defect, shall be considered as damage:

(a) Scar, rust or other disease spot which will be plainly noticeable after the bean has been blanched;

(b) Bruises or punctures which are noticeably discolored, or which affect an area more than one-fourth inch in length;

(c) Broken ends when the flesh of the thick portion of the bean is exposed, or when the remaining portion of the bean is less than 2¼ inches long; and,

(d) Insect stings or scars which will be plainly noticeable after the bean has been blanched.

§ 51.3253 Diameter.

"Diameter" means thickness as determined by the width of the smallest slot through which the bean may be passed, without forcing, in any one position or series of positions.

§ 51.3254 Similar color.

"Similar color" means that the bean is of the same color type as the majority of the beans in the lot. Wax type beans in a lot of green beans shall be classed as culls, and green type beans in a lot of wax beans shall be classed as culls.

§ 51.3255 Reasonably similar type.

"Reasonably similar type" means that the beans are not distinctly different in cross-section shape. For example, round and semi-flat beans shall be considered reasonably similar; and flat and semi-flat beans shall be considered reasonably similar. Round and flat beans shall not be considered reasonably similar types.

§ 51.3256 Tough or overmature.

"Tough or overmature" means that the bean is leathery, fibrous and stringy or has dry, whitish, pithy tissue or air pockets around the seeds.

§ 51.3257 Seriously misshapen.

"Seriously misshapen" means that the bean is badly curved, crooked, twisted or tapered.

§ 51.3258 Serious damage.

"Serious damage", unless otherwise specifically defined in this section, means

any defect which seriously affects the processing quality of the bean. Any one of the following defects, or any combination of defects the seriousness of which exceeds the maximum allowed for any one defect; shall be considered as serious damage:

(a) Scars, rust or disease spots which are very dark colored or very unsightly, or which are moderately dark and moderately unsightly and affect more than one-fourth the length of the bean;

(b) Bruises or punctures which are badly discolored, or which affect an area more than three-fourths inch in length;

(c) Broken ends which expose the flesh of the thick portion of the bean when both ends are broken, or when one end is broken and the exposed flesh is distinctly discolored, or when the remaining portion of the bean is less than 2¼ inches long; and,

(d) Insects which are present inside the bean, or any insect hole penetrating the wall of the bean, or very unsightly insect stings or scars.

Dated: May 27, 1959.

ROY W. LENNARTSON,
Deputy Administrator,
Marketing Services.

[F.R. Doc. 59-4545; Filed, May 29, 1959; 8:49 a.m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ALASKA

Notice of Proposed Withdrawal and Reservation of Lands

The Bureau of Public Roads has filed an application, Serial Number A. 044476 for the withdrawal of the lands described below, from all forms of appropriation under the public land laws, including the mining but not the mineral leasing laws nor the disposition of materials under the Act of July 31, 1947 (61 Stat. 681; 30 U.S.C. 601-604), as amended. The applicant desires the land for use as a permanent depot.

For a period of 60 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, Anchorage Operations Office, Mailing: 334 E. 5th Avenue, Anchorage, Alaska.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

DILLINGHAM AREA

A portion of U.S. Survey 2262 described as follows:

Beginning at Corner No. 1, common to U.S. Survey Nos. 155 and 2262 and the U.S.F. & W.S. Administrative Site as revised by Public Land Order 1615, dated April 15, 1958, which is the true Point of Beginning; thence N 7°15' W 8.33 chains along the line common to the U.S. Survey Nos. 155 and 2262 to Corner No. 2 of the area requested by the BPR; thence passing within U.S. Survey No. 2262 in a N 82°30' E direction for a distance of 3.03 chains to Corner No. 3; thence S 10°30' E for a distance of 5.75 chains to Corner No. 4, which corner is also Corner No. 5 of the U.S.F. & W.S. Administrative Site, revised by PLO 1615, dated April 15, 1958; thence South 3.00 chains to Corner No. 6 to a point on the South boundary of U.S. Survey No. 2262; thence West 3.00 chains to Corner No. 1, the true Point of Beginning of the area requested by the Bureau of Public Roads.

Containing approximately 2.72 acres more or less.

L. T. MAIN,
Operations Supervisor,
Anchorage.

[F.R. Doc. 59-4529; Filed, May 29, 1959; 8:47 a.m.]

ALASKA

Alaska Public Sale Act; Fairbanks Classification No. 2

MAY 25, 1959.

Pursuant to the authority delegated to me under § 2.5 of Order No. 541 of April 21, 1954, Bureau of Land Management, as amended, the following described land is classified for disposal under the Alaska Public Sale Act of August 30, 1949 (63 Stat. 679; 48 U.S.C. 364a-364e) for commercial, and/or housing purposes:

BIG DELTA AREA

Parcel 1

U.S. Survey 3292, Tract B

Lots 33 through 46.
Containing 6.27 acres.

Parcel 2

A portion of Lot 11, Section 23, and Lot 3, Section 26, T. 10 S., R. 10 E., F.M., being a tract of land west of the above described lots described by metes and bounds as follows:

From Corner No. 4, Lot 33, Tract B, U.S. Survey 3292, thence South approximately 1205 feet, thence East 618 feet, to Corner No. 3, Tract B, U.S. Survey 3292, thence following the western boundary of said Survey 3292 northwesterly to the point of beginning.

Containing 9.07 acres.

Parcel 3

Beginning at Corner No. 1 of Lot 33, Tract B, U.S. Survey 3292, which is common to Corner 2, Lot 32, Tract B, U.S. Survey 3292, thence N. 52°08' E., approximately 150 feet to the centerline of the Richardson Highway, thence southeasterly approximately 1536 feet along said centerline to a point which bears East approximately 150 feet from Corner No. 2, Tract B, U.S. Survey 3292, thence West approximately 150 feet to Corner 2, Tract B, U.S. Survey 3292, thence northwesterly following the easterly boundary of Tract B, U.S. Survey 3292, approximately 1536 feet to the point of beginning.

Containing approximately 5.5 acres.

The three parcels aggregating approximately 20.84 acres.

The above land will be offered for sale in accordance with regulations contained in 43 CFR 75.23 to 75.40. If no bid at the minimum acceptable price or above is made, the land may be held for future offering or the classification may be rescinded.

RICHARD L. QUINTUS,
Operations Supervisor,
Fairbanks.

[F.R. Doc. 59-4539; Filed, May 29, 1959; 8:48 a.m.]

DEPARTMENT OF COMMERCE

Federal Maritime Board

LAMPORT & HOLT LINE, LTD., AND BULL INSULAR LINE, INC.

Notice of Agreement Filed for Approval

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U.S.C. 814):

Agreement No. 8253-1 between Lamport & Holt Line, Ltd., and Bull Insular Line, Inc., modifies approved Agreement No. 8253, which covers a through billing arrangement in the trade from Argentina, Brazil, Peru and Uruguay to Puerto Rico with transhipment at the ports of New York, Baltimore or Philadelphia. The purpose of the modification is to include Mobile and New Orleans as ports of transhipment under the agreement.

Interested parties may inspect this agreement and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D.C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to this agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: May 26, 1959.

By order of the Federal Maritime Board.

[SEAL] JAMES L. PIMPER,
Secretary.

[F.R. Doc. 59-4519; Filed, May 29, 1959; 8:45 a.m.]

Bureau of Foreign Commerce

[Case 260]

MAGNA MERCANTILE CO., INC., ET AL.

Order Postponing Effective Date of Order Denying Export Privileges

In the matter of Magna Mercantile Company, Inc., Vincent Vinci, and Anthony Greco, 25 Broadway, New York City, Respondents; Case No. 260.

Respondents, having applied for a sixty-day postponement of the effective date of the order of May 18, 1959, denying their export privileges (24 F.R. 4108, May 21, 1959), the Office of the General

Counsel not having objected to some relief being granted thereon, and the Compliance Commissioner having recommended that the application be granted only to the extent hereinafter provided, it is, this 26th day of May, 1959, *ordered:* That the time at which the denial order of May 18, 1959, shall take effect be, and the same hereby is postponed for a period of thirty days from the original effective date thereof, and it is further *ordered* that (a) wherever in the said order the date, "31st day of May, 1959" appears, said date shall be and hereby is amended to "30th day of June, 1959"; (b) wherever in the said order the date, "June 1, 1959," appears, said date shall be and hereby is amended to "July 1, 1959"; and (c) the date, "August 1, 1959" shall be and hereby is amended to "September 1, 1959"; and (d) the date, "May 31, 1960," shall be and hereby is amended to "June 30, 1960."

RAUER H. MEYER,
Acting Director,
Office of Export Supply.

[F.R. Doc. 59-4541; Filed, May 29, 1959; 8:48 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-103]

AEROJET-GENERAL NUCLEONICS

Notice of Proposed Issuance of Amendment to Construction Permit and of Facility License

Please take notice that the Atomic Energy Commission proposes to issue to Aerojet-General Nucleonics, San Ramon, California, the amendment (No. 4) set forth below to Construction Permit No. CPRR-27 unless within fifteen days after the filing of this notice with the Federal Register Division a request for a formal hearing is filed with the Commission as provided by the Commisison's "Rules of Practice", 10 CFR Part 2. The amendment would authorize Aerojet-General Nucleonics to construct nuclear reactor Model AGN-211, Serial No. 103, to operate at levels not to exceed 75 watts thermal and to include a thermal column. Construction Permit No. CPRR-27, as amended, previously authorized construction of the reactor without a thermal column for operation at levels not exceeding 100 watts. For further details see (1) the application for license amendment submitted by Aerojet-General Nucleonics and (2) a hazards analysis of operation of the reactor constructed as proposed prepared by the Hazards Evaluation Branch of the Division of Licensing and Regulation, both on file at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. A copy of item (2) above may be obtained at the Commission's Public Document Room or upon request addressed to the Atomic Energy Commission, Washington 25, D.C., Attention: Director, Division of Licensing and Regulation.

Notice is also hereby given that if the Commission issues the amendment to the construction permit, the Commission may without further prior public notice convert the amended construction permit to a Class 104 license authorizing operation of reactor Model AGN-211, Serial No. 103 by Aerojet-General Nucleonics at its site in San Ramon, California, if it is found that the reactor has been constructed in compliance with the terms and conditions contained in the construction permit, as amended, and in conformity with the provisions of the Act and the rules and regulations of the Commission, and in the absence of any good cause being shown to the Commission that the granting of such license would not be in accordance with the provisions of the Act.

Dated at Germantown, Md., this 22d day of May 1959.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director,
Division of Licensing & Regulation.

[Construction Permit No. CPRR-27, Amdt. 4]

The first paragraph of Construction Permit No. CPRR-27 is hereby amended to read as follows:

By application dated April 7, 1958, and amendments thereto dated May 23, 1958, August 20, 1958, September 11, 1958, December 29, 1958, January 6, 1959 and March 27, 1959, (hereinafter referred to collectively as "the application") Aerojet-General Nucleonics, San Ramon, California, requested a Class 104 license, defined in § 50.21 of Part 50, "Licensing of Production and Utilization Facilities", Title 10, Chapter I, CFR, authorizing construction and operation of ten nuclear reactors of a type designated by Aerojet-General Nucleonics as Model AGN-211 and referred to as Serial Nos. 101 through 110 (hereinafter referred to as "the reactors"). Construction of Serial Nos. 101 and 102 has been completed. Serial No. 103 is to be constructed for operation at 75 watts (thermal) and will include a thermal column. Serial Nos. 104 and 105 are to be constructed for operation at a maximum power of 100 watts (thermal). Serial Nos. 106 through 110 are to be constructed for operation at a maximum power of 15 watts (thermal). The reactors are semiportable, plastic core, swimming pool-type research reactors using uranium enriched to 20 percent in the isotope uranium 235 as fuel.

A new final paragraph is hereby added to Construction Permit No. CPRR-27 to read as follows:

Upon completion of the construction of reactor Model AGN-211, Serial No. 103 in accordance with the terms and conditions of this permit, and upon finding that the reactor authorized has been constructed in conformity with the construction permit and in conformity with the provisions of the Act and of the rules and regulations of the Commission, the Commission will issue a Class 104 license to Aerojet-General Nucleonics, pursuant to section 104c of the Act, which license will authorize Aerojet-General Nucleonics to possess and operate the reactor and transfer it to anyone authorized to receive it. The license will expire 20 years after the date of the construction permit.

This amendment is effective as of the date of issuance.

Date of issuance: May 22, 1959.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director,
Division of Licensing and Regulation.

[F.R. Doc. 59-4517; Filed, May 29, 1959; 8:45 a.m.]

[Docket No. 50-20]

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

Notice of Amendment to Facility License

Please take notice that the Atomic Energy Commission has issued to Massachusetts Institute of Technology, Amendment No. 3, set forth below, to Facility License No. R-37 authorizing the discharge from the reactor stack of effluent having concentrations of airborne radioactive materials, resulting from neutron activation of ambient air, which will be subject to an average atmospheric dilution factor of at least 3000 before reaching individuals outside of the reactor area controlled by Massachusetts Institute of Technology. Atmospheric air containing diluted effluent released pursuant to this amendment at any occupied point beyond Massachusetts Institute of Technology control will not expose individuals to concentrations of airborne radioactive materials in excess of those annual maximum permissible concentrations established in AEC Regulation, 10 CFR Part 20.

The Commission has found that operation of the reactor in accordance with the terms and conditions of the license, as amended, will not present undue hazard to the health and safety of the public and will not be inimical to the common defense and security.

The Commission has found that prior public notice of proposed issuance of this amendment is not necessary in the public interest since disposal of airborne radioactive materials as proposed will not present any substantial changes in the hazards to the health and safety of the public from those considered and evaluated in connection with the previously approved operation of the facility.

In accordance with the Commission's Rules of Practice (10 CFR 2) the Commission will direct the holding of a formal hearing on the matter of issuance of the license amendment upon receipt of a request therefor from the licensee or an intervener within 30 days after the issuance of the license amendment.

For further details see (1) the application for license amendment submitted by Massachusetts Institute of Technology and (2) a hazards analysis of the amendment prepared by the Chief, Hazards Evaluation Branch, Division of Licensing and Regulation, both on file at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C.

Dated at Germantown, Md., this 22d day of May 1959.

For the Atomic Energy Commission.

H. L. PRICE,
Director, Division of
Licensing and Regulation.

[License No. R-37, Amdt. 3]

The first sentence of Paragraph 2 of License No. R-37 issued on June 9, 1958 to Massachusetts Institute of Technology is hereby amended to read as follows:

This license applies to the facility which is owned by MIT and located in Cambridge, Massachusetts, and described in MIT's application filed on February 20, 1956, and amendments to the application filed on May 13, 1957, September 16, 1957, November 27, 1957, January 2, 1958, January 9, 1958, January 27, 1958, February 24, 1958, March 25, 1958, September 12, 1958, and April 24, 1959 (hereinafter "the application").

This amendment is effective as of the date of issuance.

Date of issuance: May 22, 1959.

For the Atomic Energy Commission.

H. L. PRICE,
Director, Division of Licensing and Regulation.

[F.R. Doc. 59-4518; Filed, May 29, 1959; 8:45 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 7142 et al.]

BUFFALO–TORONTO ROUTE CASE

Notice of Prehearing Conference

Notice is hereby given that a prehearing conference covering a route between Buffalo, New York and Toronto, Canada, is assigned to be held on June 16, 1959, at 10:00 a.m., e.d.s.t., in Room 911, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner Leslie G. Donahue.

A route between Buffalo and Toronto is covered by an Agreement between the United States and Canada dated April 9, 1959. Consideration will be given at the conference to the consolidation for hearing and decision of some or all of the following applications:

Docket No.	Carrier	Description
7142	Capital Airlines, Inc.	Buffalo-Toronto.
8333	Allegheny Airlines, Inc.	That portion proposing Buffalo-Toronto.
10368	Capital Airlines, Inc.	Buffalo-Toronto.
7250	Eastern Air Lines, Inc.	That portion proposing Buffalo-Toronto.
6884	National Airlines, Inc.	Do.
7507	do	Buffalo-Toronto.

In order to facilitate conduct of the conference it is requested that any party desiring to prosecute an application in this proceeding file on or before June 10, 1959, a motion for consolidation and/or any new applications for which consolidation may be sought.

In addition, it is requested that any "request for evidence" be transmitted to the examiner and to the party from whom the evidence is sought on or before June 10, 1959.

Counsel will be expected to state the views of their client with respect to the issues discussed during the course of this conference.

Dated at Washington, D.C., May 26, 1959.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 59-4542; Filed, May 29, 1959; 8:49 a.m.]

[Docket No. 6580 et al.]

INDEPENDENT AIRLINES ASSOCIATION; COMMERCIAL CHARTER EXCHANGE

Notice of Oral Argument

In the matter of the application filed by the Independent Airlines Association, dated October 8, 1957, to extend orders Nos. E-9745, E-9882 and E-11600, so as to grant approval of exchange authority for transportation of persons and property in interstate, overseas and foreign air transportation.

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, that oral argument in the above-entitled proceeding is assigned to be held on June 17, 1959, at 10:00 a.m., e.d.s.t., in Room 1027, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before the Board.

Dated at Washington, D.C., May 27, 1959.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 59-4543; Filed, May 29, 1959; 8:49 a.m.]

[Docket No. 9802]

NORTHEAST AIRLINES ENFORCEMENT PROCEEDING

Notice of Postponement of Hearing

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, that the hearing in the above-entitled matter heretofore assigned to be held on June 16, is postponed to begin on June 29, 1959, at 10:00 a.m., e.d.s.t., Room 911, Universal Building, Connecticut and Florida Avenues NW., Washington D.C., before Examiner Ferdinand D. Moran.

Dated at Washington, D.C., May 25, 1959.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 59-4544; Filed, May 29, 1959; 8:49 a.m.]

FEDERAL POWER COMMISSION

[Docket No. G-11470 etc.]

AMERADA PETROLEUM CORP. AND TIDEWATER OIL CO.

Notice of Applications and Date of Hearing

MAY 25, 1959.

In the matters of Amerada Petroleum Corporation, Docket Nos. G-11470 and G-11471; Tidewater Oil Company, Docket No. G-12131.

Take notice that Amerada Petroleum Corporation (Amerada) an independent producer of natural gas having its principal place of business in Tulsa, Oklahoma, filed on November 13, 1956, applications in Docket Nos. G-11470 and G-11471 for certificates of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing Amerada to sell natural gas as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the applications which are on file with the Commission and open to public inspection.

Take further notice that Tidewater Oil Company (Tidewater) filed on March 1, 1957, an application in Docket No. G-12131, for authorization to abandon service pursuant to section 7(b) of the Natural Gas Act, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open to public inspection.

Docket No. G-11470: Amerada seeks a certificate of public convenience and necessity authorizing the sale to El Paso Natural Gas Company (El Paso) of natural gas produced from the E/2, NE/4 Section 20, T19S, R37E, Lea County, New Mexico. By order issued December 15, 1954, In the Matters of Humble Oil & Refining Company, Docket Nos. G-3065, et al., Humble Oil & Refining Company (Humble) was authorized in Docket No. G-3113 to render service to El Paso from the subject acreage, in addition to other acreage, pursuant to a sales contract filed as Humble FPC Gas Rate Schedule No. 31. By instrument of assignment dated November 22, 1955, Humble assigned to Amerada its interest in unit production from the 320-acre unit formed for the production and marketing of gas from the Whitehorse Section underlying the N/2 Section 20, T19S, R37E, Lea County, New Mexico, subject to the existing gas sale contract (Humble Rate Schedule No. 31) and a 3/16 of 7/8 overriding royalty interest. Amerada has filed the assignment and a copy of the aforementioned contract which have been designated by the Commission as Amerada's FPC Gas Rate Schedule No. 55 and Supplement No. 1 thereto.

Docket No. G-11471: Amerada seeks a certificate of public convenience and necessity authorizing the sale to El Paso of natural gas produced from the N/2 NW/4 of Section 20, T19S, R37E, Lea County, New Mexico. By order issued October 18, 1956, In the Matters of Arkansas Louisiana Gas Company, et al., Docket Nos. G-4438, et al., Tidewater was authorized in Docket No. G-6272 to sell gas produced from the subject acreage, in addition to other acreage, to El Paso pursuant to a gas sale contract dated August 15, 1949, between Tidewater and El Paso, which contract is on file as Tidewater's FPC Gas Rate Schedule No. 43. By instrument of assignment dated October 31, 1955, Tidewater assigned to Amerada its communitized interest in unit production from the 320-acre unit formed for the production and marketing of gas from the Whitehorse Section underlying the N/2 of Section 20 T19S, R37E, Lea County, New Mexico, subject to a 3/16 of 7/8 overriding royalty interest. Amerada has filed the assignment and a copy of the August 15, 1949,

contract which have been designated by the Commission as Amerada's FPC Gas Rate Schedule No. 56 and Supplement No. 1 thereto.

Docket No. G-12131: On March 1, 1957, Tidewater filed its application to abandon the sale to El Paso of gas produced from the N/2 NW/4 of Section 20, T19S, R37E, Lea County, New Mexico, to the extent that said production is attributable to the communitized interest assigned to Amerada as set forth above.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on June 30, 1959, at 9:30 a.m., e.d.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such applications: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before June 18, 1959. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-4522; Filed, May 29, 1959; 8:46 a.m.]

[Docket Nos. G-7493, G-7529]

PAN AMERICAN PETROLEUM CORP.[1]

Notice of Applications and Date of Hearing

MAY 25, 1959.

Take notice that Pan American Petroleum Corporation (Applicant), an independent producer with its principal place of business in Tulsa, Oklahoma, has filed in each of the above dockets an application for a certificate of public convenience and necessity, pursuant to section 7(c) of the Natural Gas Act, authorizing the Applicant to sell natural gas as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the applications which are on file with the Commission and open to public inspection.

[1] Formerly Stanolind Oil and Gas Company.

Applicant proposes to continue to sell natural gas to Cities Service Gas Company and United Gas Pipe Line Company for transportation in interstate commerce for resale. The gas is produced by Applicant from the fields listed below. These sales were made on and since June 7, 1954.

Docket No.	Field	Purchaser	Applicant's FPC Rate Schedule No.
G-7493	West Edmond Field, Oklahoma County, Okla.	Cities Service Gas Co.	121
G-7529	Burnell and North Pettus Field, Karnes and Goliad Counties, Tex.	United Gas Pipe Line Co.	114

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on June 30, 1959, at 9:30 a.m., e.d.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such applications: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before June 18, 1959. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F.R. Doc. 59-4523; Filed, May 29, 1959; 8:46 a.m.]

[Docket Nos. G-18013, G-18080]

TENNESSEE NATURAL GAS LINES, INC., AND TENNESSEE GAS TRANSMISSION CO.

Notice of Applications and Date of Hearing

MAY 25, 1959.

Take notice that, on March 9, 1959, Tennessee Natural Gas Lines, Inc. (Tennessee Natural) filed an application (Docket No. G-18013), pursuant to section 7(c) of the Natural Gas Act, for a certificate of public convenience and necessity authorizing the construction and operation of 3,500 feet of 4-inch pipeline extending from a proposed tap on the main pipeline of Tennessee Gas Transmission Company (Tennessee Gas) to the city limits of Ashland City, Tennessee, and a regulator station at the city limits.

On March 17, 1959, Tennessee Gas filed an application (Docket No. G-18080) for a certificate of public convenience and necessity authorizing the construction and operation of a tap and meter station on its main pipeline near Ashland City to provide the additional delivery point requested by Tennessee Natural.

Both of the foregoing applications are on file with the Commission and open to public inspection.

The purpose of the proposed construction is to initiate natural gas service to Nashville Gas Company (Nashville Gas), a subsidiary of Tennessee Natural, for distribution in Ashland City.

The estimated gas requirements for Ashland City are as follows:

	First year	Second year	Third year
Peak day (Mcf at 15.025 psia)	481	559	637
Annual (Mcf at 15.025 psia)	48,400	54,700	61,000

The gas supply will be a part of Tennessee Natural's existing authorized contract quantity of 106,520 Mcf per day at 15.025 psia purchased from Tennessee Gas. Under a new service agreement Tennessee Gas would deliver up to 625 Mcf per day to Tennessee Natural under its GS-1 rate schedule, with a delivery of 105,895 Mcf per day under its G-1 rate schedule.

Tennessee Natural proposes to sell the gas to Nashville Gas for resale in Ashland City under its rate G-1 of its FPC Gas Tariff, Original Volume No. 1.

The estimated cost of Tennessee Natural's proposed facilities is $14,975, which will be paid from cash on hand. The estimated cost of Tennessee Gas proposed facilities is $6,630, which will be paid from current funds. The cost of the distribution system to be built by Nashville Gas in Ashland City is estimated at $64,000 in 1959, increasing to $102,000 through 1963. Nashville Gas has obtained a franchise from Ashland City and also a certificate from the Tennessee Commission authorizing service in Ashland City.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on June 30, 1959, at 9:30 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concern-

ing the matters involved in and the issues presented by such applications: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before June 19, 1959. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 59-4524; Filed May 29, 1959; 8:46 a.m.]

[Docket No. G-17897 etc.]

PHILLIPS PETROLEUM CO. ET AL.

Notice of Applications, Consolidation of Proceedings and Date of Hearing

MAY 25, 1959.

In the matters of Phillips Petroleum Company, Docket No. G-17897; Pan American Petroleum Corporation, Docket No. G-17898; Lone Star Gas Company, Docket No. G-17900; Anderson-Prichard Oil Corporation, Docket No. G-17918; The British-American Oil Producing Company, Docket No. G-17965; Mack Oil Company, Docket No. G-18002; The Ohio Oil Company, Docket No. G-18003; Gulf Oil Corporation, Docket No. G-18004; Norville Oil Company, Inc., Docket No. G-18005; Republic Natural Gas Company, Docket No. G-18008; Eason Oil Company, Docket No. G-18034.

Take notice that Lone Star Gas Company (Lone Star), a Texas corporation with its principal place of business at 301 South Harwood Street, Dallas 1, Texas, filed in Docket No. G-17900 on February 24, 1959, an application, as supplemented March 5, 1959, pursuant to section 7(c) of the Natural Gas Act, for a certificate of public convenience and necessity authorizing the construction and operation of approximately 6.75 miles of 10-inch lateral supply pipeline facilities near the North Doyle Dehydration Plant in Stephens County, Oklahoma, in a northwesterly direction to a point in the Carter-Knox Field, Grady County, Oklahoma. Lone Star's application does not involve the supplying of natural gas to new consumer markets.

Take further notice that each of the independent producers, hereinabove captioned, has filed an application, pursuant to section 7(c) of the Natural Gas Act, for a certificate of public convenience and necessity authorizing the sale in interstate commerce to Lone Star of natural gas produced in the Carter-Knox Field, Grady County, Oklahoma, at an initial price of 16.8 cents as more fully described in the applications and contracts which are on file with the Commission and open to public inspection.

Pursuant to separate agreements; Lone Star, in conjunction with each independent producer, has assigned one-half of the gas covered by the gas purchase contracts herein to Oklahoma Natural Gas Company (Oklahoma Natural). Oklahoma Natural has agreed to construct a gas purchase measuring station at the point of delivery in the field and also construct a dehydration plant with a capacity sufficient to dehydrate the entire volume of gas available under Lone Star's contracts with the above-named independent producers. Upon the completion of these facilities, Lone Star will reimburse Oklahoma Natural for fifty (50) percent of the actual cost thereof and become an owner of such facilities to that extent. The total estimated initial cost of Lone Star's share plus the cost of the proposed pipeline will be approximately $265,808.00, which cost will be financed from funds currently on hand.

In the event that the applicants do not obtain certificates of public convenience and necessity satisfactory to them, each of the independent producers has contracted separately to sell all of the gas which is the subject matter of this proceeding to Oklahoma Natural for intrastate use.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on June 30, 1959 at 10:00 a.m., e.d.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such applications.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before June 18, 1959.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 59-4525; Filed, May 29, 1959; 8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 812-1212]

AMERICAN-SOUTH AFRICAN INVESTMENT CO., LTD.

Notice of Filing of Application for Order Permitting Exercise in South Africa of Rights Issued to Applicant

MAY 22, 1959.

Notice is hereby given that American-South African Investment Company, Limited ("Applicant"), a registered closed-end diversified investment company chartered under the Companies Act of 1926, as amended, of the Union of South Africa ("South Africa"), has filed an application, and an amendment thereto, for an order under section 7(d) of the Investment Company Act of 1940 ("1940 Act") permitting Applicant through its custodian or its custodian's agent to exercise in South Africa the rights issued to it as a shareholder in other companies for the purchase of securities, subject to conditions hereinafter set forth, and authorizing Applicant to take the necessary action in connection with such transactions, as hereinafter described.

The Commission on August 13, 1958, issued an order pursuant to the provisions of section 7(d) of the Act granting an application of Applicant to register as an investment company under the Act and to make a public offering of its securities in the United States by use of the mails and means or instrumentalities of interstate commerce. (Investment Company Act Release No. 2756.) Said application stated, among other things, that so long as Applicant is registered under the Act, Applicant's memorandum and Articles of Association, taken together, will contain in substance the provisions set forth in subparagraph (8) of paragraph (b) of Rule N-7D-7 under the Act, and that neither will be amended in any manner inconsistent therewith unless authorized by the Commission. Said subparagraph and Applicant's Articles of Association and custodian agreement require that the custodian of Applicant shall maintain in its sole custody in the United States all of Applicant's securities and cash, other than cash necessary to meet Applicant's current administrative expenses, and that the custodian shall consummate all purchases and sales of securities by Applicant, other than purchases and sales on an established securities exchange, through the delivery of securities and receipt of cash, or vice versa, within the United States.

The application granted by the Commission also stated that all contracts of the Applicant, other than those executed on a national securities exchange or the London or Johannesburg Stock Exchange which do not involve affiliated persons, will provide that (A) such contracts irrespective of the place of their execution or performance, will be performed in accordance with the requirements of the 1940 Act, the Securities Act, and the Securities Exchange Act, as amended, if the subject matter of such contracts is within the purview of such Acts; and (B) in effecting the purchase or sale of assets the parties thereto will utilize the United States mails or means of interstate commerce.

Applicant believes that the type of transactions contemplated by this application are not within the purview of the Securities Act or the Securities Exchange Act, and that if they are within the purview of the 1940 Act they are not of a type that would be inconsistent with the objectives of that Act. Applicant, from time to time, as a shareholder of various South African companies has

been issued rights entitling it to purchase additional shares of the issuing company or of other companies. Applicant has not, however, been able to exercise such rights inasmuch as it is required by the restrictions referred to above to exercise such rights in the United States. According to the application it has not been feasible to arrange for such exercise in the United States. It is stated that the rights issued to Applicant represent only a small portion of the rights issued pro rata to all shareholders, and, accordingly, it is unreasonable to expect that the terms of the offering would be altered solely to accommodate Applicant. The application further asserts that the subscription period during which rights issued by the South African companies may be exercised is normally quite short, usually lasting for only about two weeks, so that even if the terms of the offering could be altered to permit consummation in the United States it would be practically impossible to do so in the time available.

On January 20, 1959, the Commission pursuant to an application under section 7(d) issued an order permitting Applicant to consummate in South Africa the purchase and sale of South African Treasury Bills and authorizing Applicant, among other things, to amend its Articles of Association in connection therewith. The instant application indicates that such an amendment, which was adopted by Applicant's shareholders at the annual meeting held on March 30, 1959, would also permit the exercise in South Africa, if the Commission so permits, of rights issued to Applicant as a shareholder of other companies for the purchase of securities. In the event that the Commission issues the order sought by this application it is contemplated that its custodian will arrange with The First National City Bank of New York (South Africa) Limited to act as its agent in exercising in South Africa such rights issued to the Company. Applicant proposes, in accordance with its by-laws, that all shares of South African companies acquired by it through the exercise in South Africa of these rights will be maintained in the sole custody of Applicant's custodian.

Applicant therefore requests that an order be issued by the Commission under section 7(d) of the 1940 Act (a) permitting Applicant through its custodian or its custodian's agent to exercise in South Africa the rights issued to it as shareholder in other companies for the purchase of securities provided that in the case of each such exercise (i) the rights so exercised are offered to Applicant as a shareholder in another company on the same basis as all other holders of the class or classes of shares of such other company to whom such rights are offered, (ii) the rights so exercised do not exceed 10 percent of the total amount of such right so offered, and (iii) the securities purchased pursuant to such exercise, or securities of the same class, are listed on the Johannesburg Stock Exchange, or application has been made to such Exchange for the listing thereon of such securities, or it has been publicly announced that application will be made to such Exchange for the listing thereon of such securities, and Applicant has no reason to believe that such listing will not be effected, and (b) authorizing Applicant to take the necessary action in connection therewith to amend its Custodian Agreement and to omit from any contracts relating to the exercise of such rights the provisions set forth in the original application under which the Applicant registered as an investment company under the 1940 Act, as described above.

Section 7(d) of the Act, among other things, authorizes the Commission, upon application, to issue a conditional or unconditional order permitting a foreign investment company to register under the Act and to make a public offering of a security by use of the mails and means or instrumentalities of interstate commerce, if the Commission finds that, by reason of special circumstances or arrangements, it is both legally and practically feasible effectively to enforce the provisions of the Act against such company and that the issuance of such order is otherwise consistent with the public interest and the protection of investors. Since the proposals herein would represent a modification of the agreements and undertakings upon the basis of which the Commission granted the application for Applicant's registration, such modification would require approval pursuant to the provisions of section 7(d) of the Act.

Notice is further given that any interested person may, not later than June 5, 1959, at 5:30 p.m. submit to the Commission in writing any facts bearing upon the desirability of a hearing on the matter and may request that a hearing be held, such request stating the nature of his interest, the reasons for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date, the application may be granted as provided in Rule 0-5 of the rules and regulations promulgated under the Act.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-4530; Filed, May 29, 1959; 8:47 a.m.]

[File No. 70-3782]

SOUTHERN ELECTRIC GENERATING CO. ET AL.

Order Granting and Permitting To Become Effective Joint Application-Declaration

MAY 20, 1959.

In the matter of Southern Electric Generating Company, Alabama Power Company, Georgia Power Company, File No. 70-3782.

Alabama Power Company ("Alabama") and Georgia Power Company ("Georgia"), exempt holding companies and public-utility subsidiaries of The Southern Company ("Southern"), a registered holding company, and Southern Electric Generating Company ("SEGCO"), a public-utility subsidiary of Alabama and Georgia and an indirect subsidiary of Southern, having filed a joint application-declaration and amendments thereto, pursuant to sections 6(b) and 12 of the Public Utility Holding Company Act of 1935 ("Act") and Rule 50 thereunder, regarding (1) the issuance and sale, by SEGCO, at competitive bidding, of an initial issue of $25,000,000 principal amount of First Mortgage Bonds; and (2) the execution of an intercompany power contract between SEGCO, Alabama and Georgia and the assignment and pledge thereof by SEGCO, as security for the proposed mortgage bonds; and

Due notice having been given of the filing of the joint application-declaration and a hearing not having been requested of or ordered by the Commission; and

The Commission having considered the record and having this day filed its findings and opinion, on the basis of such findings and opinion:

It is ordered, Pursuant to the applicable provisions of the Act that the said joint application-declaration, as amended, be and it hereby is, granted and permitted to become effective forthwith, subject to the terms and conditions prescribed in Rules 24 and 50 under the Act.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-4531; Filed, May 29, 1959; 8:47 a.m.]

[File No. 1-2309]

NORTH STAR OIL CO.

Notice of Application To Withdraw From Listing and Registration, and of Opportunity for Hearing

MAY 25, 1959.

The above named issuer, pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-1(b) promulgated thereunder, has made application to withdraw the specified security from listing and registration on the San Francisco Mining Exchange.

The reasons alleged in the application for withdrawing this security from listing and registration include the following:

The issuer has been inactive for a number of years. It plans the raising of new capital. The California Commissioner of Corporations has conditioned the granting of its permit authorizing sale of the new securities upon withdrawal of the present shares from listing.

Upon receipt of a request, on or before June 9, 1959, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state

briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official file of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-4532; Filed, May 29, 1959; 8:47 a.m.]

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Area 224]

MISSOURI

Declaration of Disaster Area

Whereas, it has been reported that during the month of May 1959, because of the effects of certain disasters, damage resulted to residences and business property located in certain areas in the State of Missouri.

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act.

Now, therefore, as Acting Deputy Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b) of the Small Business Act may be received and considered by the Office below indicated from persons or firms whose property situated in the following County (including any areas adjacent to said County) suffered damage or other destruction as a result of the catastrophe hereinafter referred to:

County: Buchanan (Flood occurring on or about May 18, 1959).

Office: Small Business Administration Regional Office, Home Savings Building, Fifth Floor, 1006 Grand Avenue, Kansas City 6, Missouri.

2. No special field office will be established at this time.

3. Applications for disaster loans under the authority of this Declaration will not be accepted subsequent to November 30, 1959.

Dated: May 20, 1959.

ROBERT F. BUCK, *Acting Deputy Administrator.*

[F.R. Doc. 59-4538; Filed, May 29, 1959; 8:48 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH-SECTION APPLICATIONS FOR RELIEF

MAY 27, 1959.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 35454: *Methanol—Sterlington, La., to Illinois and Indiana points.* Filed by Southwestern Freight Bureau, Agent (No. B-7558), for interested rail carriers. Rates on methanol (methyl alcohol) tank-car loads from Sterlington, La., to East Chicago, Hammond, Indiana Harbor, and Whiting, Ind., and South Chicago, Ill.

Grounds for relief: Maintenance of rates from and to points beyond named points not depressed by same competitive conditions as from and to latter points.

Tariff: Supplement 155 to Southwestern Freight Bureau tariff I.C.C. 4064.

FSA No. 35455: *Woodpulp—Southern points to Wentworth, Mich.* Filed by O. W. South, Jr., Agent (SFA No. A3807), for interested rail carriers. Rates on woodpulp, carloads from southern producing points named in the application to Wentworth, Mich.

Grounds for relief: Short-line distance formula.

Tariff: Supplement 69 to Southern Freight Tariff Bureau tariff I.C.C. 1555.

FSA No. 35456—*Glycols—Plaquemine, La., to Clinton, Iowa.* Filed by Southwestern Freight Bureau, Agent (B-7557), for interested rail carriers. Rates on ethylene and propylene glycol from Plaquemine, La., to Clinton, Iowa.

Grounds for relief: Market competition with Velasco, Tex., at destination.

Tariff: Supplement 155 to Southwestern Freight Bureau tariff I.C.C. 4064.

AGGREGATE-OF-INTERMEDIATES

FSA No. 35457: *Glycols—Plaquemine, La., to Clinton, Iowa.* Filed by Southwestern Freight Bureau, Agent (No. B-7556), for interested rail carriers. Rates on ethylene and propylene glycol, carloads, from Plaquemine, La., to Clinton, Iowa.

Grounds for relief: Maintenance of depressed rates not applicable in constructing combination rates from or to points beyond named points.

Tariff: Supplement 155 to Southwestern Freight Bureau tariff I.C.C. 4064.

By the Commission.

[SEAL] HAROLD D. MCCOY, *Secretary.*

[F.R. Doc. 59-4535; Filed, May 29, 1959; 8:47 a.m.]

CUMULATIVE CODIFICATION GUIDE—MAY

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PART II

FEDERAL REGISTER

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FEDERAL POWER COMMISSION

[18 CFR Part 201]

[Docket No. R-174]

REVISION OF UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR NATURAL GAS COMPANIES SUBJECT TO THE PROVISIONS OF THE NATURAL GAS ACT

Notice of Proposed Rule Making

APRIL 8, 1959.

1. Notice is hereby given of proposed rule making in the above-entitled matter.

2. It is proposed to amend, effective January 1, 1960, Part 201—Uniform System of Accounts for Natural Gas Companies, of Subchapter F—Accounts, Natural Gas Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations, to prescribe a revised uniform system of accounts as set forth in the accompanying attachment hereto.

3. The aforesaid Part 201 of said title and Code corresponds to, and appears at, pages 1-159 of the Commission's pamphlet publication of its Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act, Effective January 1, 1940 with amendments effective January 1, 1954, as amended by Order No. 203 issued May 29, 1958 (23 F.R. 4164, June 12, 1958). The said Uniform System of Accounts was prescribed by Commission Order No. 69 of November 3, 1939, effective January 1, 1940, and was contained in the codification and reissuance of the Commission's general rules promulgated by Commission Order No. 141, December 11, 1947, effective January 1, 1948 (12 F.R. 8604). The proposed revision does not follow the numbering system required for the Code of Federal Regulations but follows the numbering system (accounts, instructions, definitions, etc.) used in the Commission's pamphlet edition, referred to above.

4. Important developments in the natural gas industry since the adoption in 1939 of the Uniform System of Accounts and the experience of the Commission over the past 19 years indicate the need for the revision now being proposed.

5. The general purpose of revision of the system of accounts is to incorporate additions, deletions, condensations, editorial clarifications, and general improvement in instructions and account texts, as well as to provide more informative account arrangements, all as indicated to be necessary and desirable from our experience with the present system of accounts, without change in basic principles. The more important improvements may be stated briefly as follows:

(a) Redefinition of size classification of gas utilities to permit more simplified accounting requirements for smaller utilities;

(b) Rearrangement of certain accounts, inclusion of items lists and improvement of account texts for certain partial revisions of present system of accounts made effective January 1, 1954;

(c) Condensation of plant and expense classifications for manufactured gas operations;

(d) Provision of certain needed new accounts, i.e., inclusion in transmission function of plant and expense accounts for transmission communications facilities; addition to products extraction function of account for gas processed by others; inclusion in other gas supply expenses of account for exchange gas; addition to storage expenses of accounts for purification expenses, gas losses and exploration and development expense; inclusion of accounts for load dispatching in the transmission and distribution functions; supplanting plant and expense accounts for city gate and main line measuring stations by new provisions permitting alternative use of transmission or distribution functional classifications in appropriate circumstances; relocation of inventory account for noncurrent gas in storage from detailed plant classifications to separate account in balance sheet plant section;

(e) Improvement and clarification of account texts and instructions, deletion of obsolete material, lessening of special filing requirements for certain subject matters, provision of certain needed new instructions, simplification of account numbering, etc.;

(f) Rearrangement of balance sheet and certain other accounts to make them more informative;

(g) Reduction in number of expense account classifications, mainly but not entirely, by the discontinuance of segregations of numerous functional accounts as to labor and other expenses;

(h) Expansion of item lists of account texts and clearer description of such items according to their functional nature, to facilitate use and consistency of respective account classifications;

(i) Inclusion of the accounting effect of numerous interpretations issued in the past;

(j) Rearrangement and improvement in accounts for inventories of natural gas in storage;

(k) Improvement of the system of accounts generally in the light of developments in the industry without change in the basic principles of the present system of accounts or of the interpretations applicable thereto.

No changes are made in the basic principles of the present system of accounts or of the interpretations applicable thereto.

6. The system of accounts herein proposed conforms basically to that for which a resolution was adopted at the convention of the National Association of Railroad and Utility Commissioners held in Phoenix, Arizona, on November 17, 1958, with a few modifications. That system of accounts has been under active consideration for the past ten years by the NARUC Committee on Accounts and Statistics and in coordination with industry representatives. Revisions were submitted to the NARUC Executive Committee at the Association conventions of 1955, 1957, and 1958 resulting in the resolution of the latter convention referred to above. Joint meetings with industry representatives have been held during consideration of these revisions, culminating in one held as recently as January 21, 1959, at which desirable clarifying and editorial changes were agreed upon.

7. The system of accounts proposed for adoption herein deviates from the NARUC proposal only to the extent necessary to make it more suitable to this Commission's accounting responsibilities but such deviations do not conflict with the basic principles of the NARUC system. The NARUC system of accounts gives consideration to the fact that the State commissions, in addition to jurisdiction over gas utility operations, ordinarily have jurisdiction over electric and

water utility operations of joint utilities. Consequently the balance sheet classifications for plant and accumulated provisions for depreciation and amortization (reserves) are identified in the NARUC system as "utility" accounts. In the FPC system of accounts these balance sheet accounts and related instructions are directed to "natural gas" operations and summary accounts provided for the plant and "reserves" of other utility departments. Likewise in the FPC draft utility operating income accounts are identified with the natural-gas department and a special summary account provided for the income of other, non-gas, utility departments. Similar differences exist between present FPC and NARUC systems of accounts. The Commission's present report form, however, is coordinated for joint use by the state commissions and necessary summary information of other utility department operations is therein disclosed. It is expected this reporting arrangement will continue.

The proposed revised FPC system of accounts adheres to the NARUC proposal, except as explained above and except for a few instances of notations in account texts and instructions which are of special significance to the FPC, and modification of one instruction. These exceptions, which do not disturb the basic conformity with the NARUC draft, are as follows:

(a) Definition 8, which defines cost for the purpose of the uniform system of accounts, includes a qualifying phrase to assure caution in the manner of applying Definition 8 in merger and pooling of interest transactions.

(b) General Instruction 3C is modified for FPC purposes to require account numbers to be parts of account titles, and to require ledger accounts, journal entries and source materials to be identified with prescribed account numbers where the utility adopts a special numbering system for machine accounting purposes. The staff believes these identifications are necessary in order to preserve the integrity of the prescribed accounts for reporting, auditing, and citation purposes.

(c) Gas Plant Account Instruction 5B 2, which relates to accumulated provisions for depreciation and amortization to be considered in accounting for gas plant purchased, is simplified in the FPC draft by deletion of certain qualifying phrases which appear in the NARUC draft. These deletions will, in the opinion of the staff, avoid administrative ambiguities.

(d) Account 106, Completed Construction not Classified—Gas, includes a note which specifies that this account shall be classified by prescribed accounts (on an estimated basis) and the classified amounts included in any reports to the Commission of gas plant in service in order to avoid any significant omissions in reports to the Commission of plant in service. A reference to this note is added to Account 101, Gas Plant in Service.

(e) Accounts 281, 282, 283, Accumulated Deferred Taxes on Income, are included in the FPC draft whereas no similar accounts are provided in the NARUC draft. Complementing these accounts are Accounts 410 and 411, added to the income accounts as authorized by the Commission's Order No. 203 amending the present system of accounts.

(f) Account 403, Depreciation Expense, omits paragraph C from the FPC draft because the FPC instruction is addressed to natural-gas companies, whereas the NARUC draft specifies the account be subdivided by utility departments.

8. The Commission recognizes that some burden and expense will have to be borne by the companies affected in connection with the transition from the existing system to the new system of accounts.

This problem was, however, kept in mind by the NARUC Committee which worked on the revision as well as by the staff of this Commission which participated in the work of the NARUC Committee. The Commission is of the opinion that the physical burden and monetary cost of the changeover is of minor importance when viewed in relation to the future benefits of the revised system of accounts.

9. The appended proposed revision of the Commission's Uniform System of Accounts for Natural Gas Companies is proposed to be issued under the authority granted the Federal Power Commission by the Natural Gas Act, as amended, particularly sections 8, 10 and 16 thereof (52 Stat. 821, 825 and 826; 15 U.S.C. 717g, 717i, and 717o).

10. Any interested person may submit to the Federal Power Commission not later than July 1, 1959, data, views, and comments in writing concerning the proposed revised uniform system of accounts. An original and 9 copies should be filed of any such submittals. The Commission will consider these written submittals before acting on the proposed revision.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR NATURAL GAS COMPANIES SUBJECT TO THE PROVISIONS OF THE NATURAL GAS ACT

Definitions

When used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "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, those issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.

3. "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.

4. "Amortization" means the gradual extinguishment of an amount in an account by distributing 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.

5. 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.

6. "Book cost" means the amount at which property is recorded in these accounts without deduction of related provisions for accrued depreciation, depletion, amortization, or for other purposes.

7. "Commission," means the Federal Power Commission.

8. "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of common stock in a merger or a pooling of interest, the value of such consideration shall be determined on a cash basis.

9. "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing gas plant, including the cost of transportation and handling incidental thereto.

10. "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

11. (a) "Depletion," as applied to natural gas producing land and land rights, means the loss in service value incurred in connection with the exhaustion of the natural resource in the course of service.

(b) "Depreciation," as applied to depreciable gas plant, means the loss in service value not restored by current maintenance, incurred in connection

with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities, and, in the case of natural gas companies, the exhaustion of natural resources.

12. "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.

13. "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

14. "Minor items of property" means the associated parts or items of which retirement units are composed.

15. "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.

16. "Natural gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.

17. "Net salvage value" means the salvage value of property retired less the cost of removal.

18. "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.

19. "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.

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

21. "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.

22. "Premium," as applied to 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.

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

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

25. "Retirement units" means those items of gas plant which, when retired, with or without replacement, are accounted for by crediting the book cost thereof to the utility plant account in which included.

26. "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 Materials and Supplies, or other appropriate account.

27. "Service life" means the time between the date gas plant is includible in gas plant in service, or gas plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.

28. "Service value" means the difference between original cost and net salvage value of gas plant.

29. "Utility," as used herein and when not otherwise indicated in the context, means any natural gas company to which this system of accounts is applicable.

General Instructions

1. *Classification of Utilities.*

A. For the purpose of applying systems of accounts prescribed by the Commission, natural gas companies are divided into four classes, as follows:

Class A. Utilities having annual gas operating revenues of $2,500,000 or more.

Class B. Utilities having annual gas operating revenues of $1,000,000 or more but less than $2,500,000.

Class C. Utilities having annual gas operating revenues of $150,000 or more but less than $1,000,000.

Class D. Utilities having annual gas operating revenues of $25,000 or more but less than $150,000.

B. This system of accounts applies to Class A and Class B utilities. Those applicable to Class C and Class D utilities are issued separately.

C. The class to which any utility belongs shall originally be determined by the average of its annual gas operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual gas operating revenues of the classification previously applicable to the utility.

D. Any utility may, at its option, adopt the system of accounts prescribed by the Commission for any larger class of utilities.

2. *Records.* A. Each utility shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

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

C. No utility shall destroy any such books or records unless the destruction thereof is permitted by rules and regulations of the Commission.

D. In addition to prescribed accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any accounts, may be kept, provided the integrity of the prescribed accounts is not impaired.

E. All amounts included in the accounts prescribed herein for gas plant and operating expenses shall be just and reasonable and any payments or accruals by the utility in excess of just and reasonable charges shall be included in account 426, Other Income Deductions.

F. The arrangement or sequence of the accounts prescribed herein shall not be controlling as to the arrangement or sequence in report forms which may be prescribed by the Commission.

3. *Numbering system.* A. The account numbering plan used herein consists of a system of three-digit whole numbers as follows:

100–199	Assets and Other Debits.
200–299	Liabilities and Other Credits.
300–399	Plant Accounts.
400–439	Income Accounts.
480–499	Revenue Accounts.
700–899	Production, Transmission and Distribution Expenses.
900–949	Customer Accounts, Sales and General and Administrative Expenses.

B. In certain instances, numbers have been skipped in order to allow for possible later expansion or to permit better coordination with the numbering system for other utility departments.

C. The numbers prefixed to account titles are to be considered as part of the titles. Each utility, however, may adopt for its own purposes a different system of account numbers provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts and in the various sources of original entry. It is intended that the utility's records shall be so kept as to permit ready analysis by sources of original entry and the preparation of financial and operating statements directly from such records at the end of each accounting period according to the Commission's prescribed accounts.

4. *Accounting period.* Each utility shall keep its books on a monthly basis so that for each month all transactions

applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. Amounts applicable or assignable to specific utility departments shall be so segregated monthly. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Commission.

5. *Submittal of questions.* To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the Commision for consideration and decision.

6. *Item lists.* 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.

7. *Delayed items.* Items relating to transactions which occurred prior to the current calendar year but which were not recorded in the books of account shall be included in the same accounts which would have been charged or credited if the items had not been delayed; provided, that when the amount of a delayed item is relatively so large that its inclusion in the accounts for a single month would seriously distort the accounts, it may be distributed in equal amounts to the accounts for the current and remaining months of the calendar year; and provided further, that, if the amount of any delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort the accounts, the amount shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, unless the Commission shall prescribe otherwise in specific instances.

8. *Unaudited items.* Whenever a financial statement is required by the Commission, if 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, 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.

9. *Distribution of pay and expenses of employees.* The charges to gas plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

10. *Payroll distribution.* Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various accounts will be readily available. Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labor charged initially to clearing accounts so that the total labor cost may be classified among construction, cost of removal, gas operating functions (manufactured gas production, natural gas production and gathering, products extraction, underground storage, transmission, distribution, etc.), and nonutility operations.

11. *Operating reserves.* Accretions to operating reserve accounts made by charges to operating expenses shall not exceed a reasonable provision for the expense. Material balances in such reserve accounts shall not be diverted from the purpose for which provided unless the permission of the Commission is first obtained.

12. *Records for each plant.* A. Separate records shall be maintained by gas plant accounts of the book cost of each plant owned, including additions by the utility to plant leased from others, and of the cost of operating and maintaining each plant owned or operated. The term "plant," as here used, means each manufactured gas production plant, the wells and gathering lines of each distinct production area, each system of interconnected transmission mains, each system of wells and lines of an underground storage project, each large purification or dehydration plant, each compressor station, other than a distribution compressor station, and each products extraction plant.

B. A natural gas company may, with the approval of the Commission, group certain of its systems of gathering lines and wells, small compressor stations, systems of underground storage lines and wells, and systems of interconnected transmission mains for the purpose of complying with the portion of this instruction requiring a segregation of the cost of operating and maintaining each plant.

NOTE A: Where manufactured gas is produced by two or more processes at one location, each process shall be accounted for separately.

NOTE B: Each natural gas company shall maintain operating or accounting records for each well showing (a) acreage on which drilled, (b) dates of drilling period, (c) cost of drilling, (d) depth of well, (e) particulars and depth of each stratum drilled through, (f) geological formation from which gas is obtained, (g) initial rock pressure and open flow capacity, (h) sizes of casing used and the lengths of each size, (i) total cost of well as recorded in gas plant accounts, (j) date well abandoned, for wells once productive, (k) date transferred to underground storage plant, for wells converted to storage use, and (l) date drilling discontinued, for wells determined to be nonproductive. The foregoing data, as appropriate, shall also be maintained for each subsequent change in the depth of each well.

13. *Accounting for other departments.* If the utility also operates other utility departments, such as electric, water, etc., it shall keep such accounts for the other departments as may be prescribed by proper authority and in the absence of prescribed accounts, it shall keep such accounts as are proper or necessary to reflect the results of operating each such department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized.

14. *Transactions with associated companies.* Each utility shall keep its accounts and records so as to be able to furnish accurately and expeditiously statements of all transactions with associated companies. The statements may be required to show the general nature of the transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions. Transactions with associated companies shall be recorded in the appropriate accounts for transactions of the same nature. Nothing herein contained, however, shall be construed as restraining the utility from subdividing accounts for the purpose of recording separately transactions with associated companies.

15. *Contingent assets and liabilities.* Contingent assets represent a possible source of value to the utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may under certain conditions become obligations of the utility but which are neither direct nor assumed liabilities at the date of the balance sheet. The utility shall be prepared to give a complete statement of significant 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.

Gas Plant Instructions

1. *Classification of gas plant at effective date of system of accounts.* A. The gas plant accounts provided herein are generally the same as those contained in the prior system of accounts except for some changes in classification in the general equipment accounts. Except for these changes, the balances in the various plant accounts, as determined under the prior system of accounts, should be carried forward. Any remaining balance of plant which has not yet been classified, pursuant to the requirements of the prior system, shall be classified in accordance with the following instructions.

B. The cost to the utility of its unclassified plant shall be ascertained by analysis of the utility's records. Adjustments shall not be made to record in utility plant accounts amounts previously charged to operating expenses or to income deductions in accordance with the uniform system of accounts in effect at the time or in accordance with the discretion of management as exercised under a uniform system of accounts, or under accounting practices previously followed.

C. The detailed gas plant accounts (301 to 399, inclusive) shall be stated on the basis of cost to the utility of plant constructed by it and the original cost, estimated if not known, of plant acquired as an operating unit or system. The difference between the original cost, as above, and the cost to the utility of gas plant after giving effect to any ac-

cumulated provision for depreciation, depletion, or amortization, and contributions in aid of construction applicable to the property acquired if recorded by the accounting utility at the time of acquisition, shall be recorded in account 114, Gas Plant Acquisition Adjustments. The original cost of gas plant shall be determined by analysis of the utility's records or those of predecessor or vendor companies with respect to gas plant previously acquired as operating units or systems and the difference between the original cost so determined, less accumulated provisions for depreciation, depletion, and amortization and contributions in aid of construction recorded by the accounting utility, and the cost to the utility, with necessary adjustments for retirements from date of acquisition, shall be entered in account 114, Gas Plant Acquisition Adjustments. Any difference between the cost of gas plant and its book cost, when not properly includible in other accounts, shall be recorded in account 116, Other Gas Plant Adjustments.

2. *Gas plant to be recorded at cost.* A. All amounts included in the accounts for gas plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other gas plant shall be included in the accounts at the cost incurred by the utility. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this paragraph.

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. (See, however, definition 8.) 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.

C. When property is purchased under a plan involving deferred payments, no charge shall be made to the gas plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

D. Gas plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the gas plant accounts at cost of construction, estimated if not known. There shall be credited to the accounts for accumulated depreciation, depletion, and amortization the estimated amount of depreciation, depletion, and amortization applicable to the property at the time of its contribution to the utility. The difference between the amounts included in the gas plant accounts and the accumulated depreciation, depletion, and amortization shall be credited to account 271, Contributions in Aid of Construction.

3. *Components of construction cost.* The cost of construction properly includible in the gas plant accounts shall include, where applicable, the direct and overhead costs as listed and defined hereunder:

(1) "Contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work.

(2) "Labor" includes the pay and expenses of employees of the utility engaged on construction work, and related workmen's compensation insurance, payroll taxes and similar items of expense. It does not include the pay and expenses of employees which are distributed to construction through clearing accounts nor the pay and expenses included in other items hereunder.

(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, the related stores expenses, and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

NOTE: The cost of individual items of equipment of small value (for example, $50 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 shall be charged to the appropriate operating expense or clearing accounts, according to the use of such items, or, if such items are consumed directly in construction work, the cost shall be included as part of the cost of the construction.

(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 steam shovels, pile drivers, derricks, ditchers, scrapers, material unloaders, and other labor saving machines; also expenditures for rental, maintenance and operation of machines of others. It does not include the cost of small tools and other individual items of small value or short life which are included in the cost of materials and supplies. (See item 3, above.) When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net book cost thereof, less the appraised or salvage value at time of release from the job, shall be included in the cost of construction.

(6) "Shop service" includes the proportion of the expense of the utility's shop department assignable to construction work except that the cost of fabricated materials from the utility's shop shall be included in "materials and supplies."

(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 the 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 302, Franchises and 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.

(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 nonperformance 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 protection, item 7, and in injuries and damages, item 8.

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

(17) "Interest during construction" includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used. No interest charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.

NOTE: When a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation, or ready for service, shall be treated as "Gas Plant in Service" and interest thereon as a charge to construction shall cease. Interest on that part of the cost of the plant which is incomplete may be continued as a charge to construction until such time as it is placed in operation or is ready for service, except as limited in Item 17 above.

(18) "Earnings and expenses during construction" includes (a) all revenues derived during the construction period from property which is included in the cost of a project under construction and (b) all expenses which are attributable to the revenues received.

4. *Overhead construction costs.* A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.

B. As far as practicable, the determination of pay roll charges includible in construction overheads shall be based on time card distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

C. The records supporting the entries for overhead construction costs shall be so kept as to show the total amount of each overhead for each year, the nature and amount of each overhead expenditure charged to each construction work order and to each utility plant account, and the bases of distribution of such costs.

5. *Gas plant purchased or sold.* A. When gas plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effecitve date of this system of accounts, the costs of acquisition, including expenses incidental thereto properly includible in gas plant, shall be charged to account 102, Gas Plant Purchased or Sold.

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

(1) The original cost of plant, estimated if not known, shall be credited to account 102, Gas Plant Purchased or Sold, and concurrently charged to the appropriate gas plant in service accounts and to account 104, Gas Plant Leased to Others, account 105, Gas Plant Held for Future Use, and account 107, Construction Work in Progress—Gas, as appropriate.

(2) The depreciation, depletion, and amortization applicable to the original cost of the properties purchased, shall be charged to account 102, Gas Plant Purchased or Sold, and concurrently credited to the appropriate account for accumulated provision for depreciation, depletion or amortization.

(3) The cost to the utility of any property includible in account 121, Nonutility Property, shall be transferred thereto.

(4) The amount of contributions in aid of construction applicable to the property acquired, and which the purchaser may be required to record, shall be charged to account 102, Gas Plant Purchased or Sold, and concurrently credited to account 271, Contributions in Aid of Construction.

(5) The amount remaining in account 102, Gas Plant Purchased or Sold, shall then be closed to account 114, Gas Plant Acquisition Adjustments.

C. 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.

D. When any property acquired as an operating unit or system includes duplicate or other plant which will be retired by the accounting utility in the reconstruction of the acquired property or its consolidation with previously owned property, the proposed accounting for such property shall be presented to the Commission.

E. In connection with the acquisition of gas plant constituting an operating unit or system, the utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records in conformity with regulations or practices governing the preservation of records of its own construction.

F. When gas plant constituting an operating unit or system is sold, conveyed, or transferred to another by sale, merger, consolidation or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate utility plant accounts, including amounts carried in account 114, Gas Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provisions for depreciation, depletion, and amortization and in account 252, Customer Advances for Construction, and account 271, Contributions in Aid of Construction, shall be charged to such accounts and the contra entries made to account 102, Gas Plant Purchased or Sold. 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 included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus. (See account 102, Gas Plant Purchased or Sold.)

NOTE: In cases where existing utilities merge or consolidate because of financial or operating reasons or statutory requirements rather than as a means of transferring title of purchased properties to a new owner, the accounts of the constituent utilities, with the approval of the Commission, may be combined. In the event original cost has not been determined, the resulting utility shall proceed to determine such cost as outlined herein.

6. *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 gas plant account appropriate for the class of property leased. If the service life of the improvements is terminable by action of the lease, the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to account 404.3, Amortization of Other Limited-Term Gas Plant. However, if the service life is not terminated by action of the lease but by depreciation proper, the cost of the improvements, less net salvage, shall be accounted for as depreciable plant.

B. 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 account in which the rent is included, either directly or by amortization thereof.

7. *Land and land rights.* A. The accounts for land and land rights shall include the cost of 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, natural gas rights, and other like interests in land.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate

interest account. If any part of the cost of public improvement is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

C. The net profit from the sale of timber, cord wood, or other property acquired with rights-of-way or other lands shall be credited to the appropriate land and land rights or clearing land account. Where land is held for a considerable period of time and timber on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the timber) from the sales of timber or its products shall be credited to account 421, Miscellaneous Nonoperating Income.

D. Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land, and each land right, or gas right (except rights-of-way for distribution mains), 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, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition. A parcel of land acquired and carried on the books as a unit is not required to be subdivided with transfers to other land accounts merely because of the erection thereon of an incidental structure to be used in gas operations but for a purpose differing from that for which the land is chiefly employed; for example, a small storehouse on production plant land.

E. Any difference between the amount received from the sale of land or land rights, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate, unless a reserve therefor has been authorized and provided. Appropriate adjustments of the accounts shall be made with respect to any structures or improvements located on land sold.

F. 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 be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

G. When the purchase of land for gas operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 105, Gas Plant Held for Future Use, or account 121, Nonutility Property, as appropriate. Regarding land and land rights held for the production of natural gas, account 101, Gas Plant in Service, shall include (1) the cost of lands owned in fee upon which producing natural gas wells are located or lands owned in fee which are being drained through the operation by the utility of wells on the other land, and (2) the first cost of lands held under lease upon which the utility pays royalties for the natural gas obtained therefrom. The cost of all other land and land rights held for the production of natural gas under a definite plan for such use shall be included in account 105, Gas Plant Held for Future Use.

NOTE: In addition to the accounting records prescribed herein, supplemental records of land and land rights held for future use shall be kept in such manner as to permit the segregation within a reasonable time of the land and land rights constituting (1) productive but nonproducing fields, (2) unproven or undeveloped fields, and (3) storage fields, and to show the following data with respect to each natural gas lease, regardless of the accounting treatment accorded the lease costs; (a) name of lessor, (b) location of leasehold and number or other identification assigned thereto, (c) date and period of lease agreement, (d) first cost of lease including details of the elements of such cost, (e) annual rental provisions, (f) date and cost of drilling, (g) date gas determined to exist, (h) date of completion of first well drilled by the utility in each pool of gas, (i) royalty provisions, (j) amortization and depletion provisions, and (k) date of abandonment of lease.

H. Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land, so as to apportion equitably the cost of each interest over the life thereof. For the purposes of amortization of natural gas rights, separate interests in land which comprise an interest in a production area may be grouped to form a depletion unit. (See account 111.1, Accumulated Provision for Amortization and Depletion of Producing Natural Gas Land and Land Rights, account 113.1, Accumulated Provision for Abandonment of Leases, and account 111.3, Accumulated Provision for Amortization of Other Gas Plant in Service; also account 404.1, Amortization and Depletion of Producing Natural Gas Land and Land Rights, account 404.3, Amortization of Other Limited-Term Gas Plant, and account 797, Abandoned Leases.)

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

1. Bulkheads, buried, not requiring maintenance or replacement.
2. Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
3. Clearing (first cost) the land of brush, trees, and debris.
4. Condemnation proceedings, including court and counsel costs.
5. Consents and abutting damages, payment for.
6. Conveyancers' and notaries' fees.
7. Fees, commissions, and salaries to brokers, agents, and others in connection with the acquisition of the land or land rights.
8. Grading the land, except when directly occasioned by the building of a structure.
9. Leases, cost of voiding upon purchase to secure possession of land.
10. Removing, relocating, or reconstructing, property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
11. Retaining walls unless identified with structures.
12. Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.
13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
14. Taxes assumed, accrued to date of transfer of title.
15. Title, examining, clearing, insuring, and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
16. Appraisals prior to closing title.
17. Cost of dealing with distributees or legatees residing outside of the state or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of state tax.
18. Filing satisfaction of mortgage.
19. Documentary stamps.
20. Photographs of property at acquisition.
21. Fees and expenses incurred in the acquisition of water rights, and grants.
22. Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.
23. Sidewalks and curbs constructed by the utility on public property.
24. Labor and expenses in connection with securing rights of way, where performed by company employees and company agents.

8. *Structures and improvements.* A. The accounts for structures and improvements shall include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to land.

B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

C. Minor buildings and structures may be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly when the nature of the structure and facility indicates the correctness of such accounting.

D. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating

a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

E. The cost of disposing of materials excavated in connection with construction of structures 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.

F. Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration shall not be included in the cost of the building but in the appropriate equipment account.

G. The items of cost to be included in the accounts for structures and improvements are as follows:

1. Architects' plans and specifications including supervision.
2. Ash pits (when located within the building).
3. Athletic field structures and improvements.
4. Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and air conditioning systems, plumbing, vacuum cleaning systems, incinerator and smoke pipe, flues, etc.
5. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
6. Chimneys.
7. Coal bins and bunkers.
8. Commissions and fees to brokers, agents, architects and others.
9. Conduit (not to be removed) with its contents.
10. Damages to abutting property during construction.
11. Docks.
12. Door checks and door stops.
13. Drainage and sewerage systems.
14. Elevators, cranes, hoists, etc., and the machinery for operating them.
15. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdam during construction, and test borings.
16. Fences and fence curbs (not including protective fences insolating items of equipment, which shall be charged to the appropriate equipment account).
17. Fire protection systems when forming a part of a structure.
18. Flagpole.
19. Floor covering (permanently attached).
20. Foundations and piers for machinery, constructed as a permanent part of a building or other items listed herein.
21. Grading and clearing when directly occasioned by the building of a structure.
22. Holders—Relief.
23. Intra-site communication system, poles, pole fixtures, wires and cables.
24. Landscaping, lawns, shrubbery, etc.
25. Leases, voiding upon purchase to secure possession of structures.
26. Leased property, expenditures on.
27. Lighting fixtures and outside lighting system.
28. Mailchutes when part of a building.
29. Marquee, permanently attached to building.
30. Painting, first cost.
31. Permanent paving, concrete, brick, flagstone, asphalt, etc. within the property lines.
32. Partitions, including movable.
33. Permits and privileges.
34. Platforms, railings and gratings when constructed as a part of a structure.
35. Power boards for services to a building.
36. Refrigerating systems for general use.
37. Retaining walls except when identified with land.
38. Roadways, railroads, bridges, and trestles, intrasite, except railroads provided for in equipment accounts.
39. Roofs.
40. Scales, connected to and forming a part of a structure.
41. Screens.
42. Sewer systems, for general use.
43. Sidewalks, culverts, curbs and streets constructed by the utility on its property.
44. Sprinkling systems.
45. Sump pumps and pits.
46. Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building.
47. Steel inspection during construction.
48. Storage facilities constituting a part of a building.
49. Storm doors and windows.
50. Subways, areaways, and tunnels, directly connected to and forming part of a structure.
51. Tanks, constructed as part of a building or as a distinct structural unit.
52. Temporary heating during construction (net cost).
53. Temporary water connection during construction (net cost).
54. Temporary shanties and other facilities used during construction (net cost).
55. Topographical maps.
56. Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
57. Vaults constructed as part of a building.
58. Watchmen's sheds and clock systems (net cost when used during construction only).
59. Water basins or reservoirs.
60. Water front improvements.
61. Water meters and supply system for a building or for general company purposes.
62. Water supply piping, hydrants and wells.
63. Wharves.
64. Window shades and ventilators.
65. Yard drainage system.
66. Yard lighting system.
67. Yard surfacing, gravel, concrete, or oil. (First cost only.)

NOTE: Structures and Improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., 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.

9. *Equipment.* A. The cost of equipment chargeable to the gas plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase 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.

B. Exclude from equipment accounts hand and other portable tools which are likely to be lost or stolen or which have relatively small value ($50 or less) or short life, unless the correctness of the accounting therefor as gas plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores," shall be charged to the plant account appropriate for their use.

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

D. The equipment accounts shall include 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 utility shall furnish the Commission with full particulars of and justification for any test or experimental run extending beyond a period of thirty days.

E. The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate gas plant account.

10. *Additions and retirements of gas plant.* A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall use such list of retirement units as is in use by it at the effective date hereof or as may be prescribed by the Commission, with the option, however, of using smaller units, provided the utility's practice in this respect is consistent.

B. The addition and retirement of retirement units shall be accounted for as follows:

(1) When a retirement unit is added to gas plant, the cost thereof shall be added to the appropriate gas plant account, except that when units are acquired in the acquisition of any gas plant constituting an operating system, they shall be accounted for as provided in gas plant instruction 5.

(2) When a retirement unit is retired from gas plant, with or without replacement, the book cost thereof shall be credited to the gas plant account in

which it is included, determined in the manner set forth in paragraph D, below. If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to gas plant shall be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account.

C. The addition and retirement of minor items of property shall be accounted for as follows:

(1) When a minor item of property which did not previously exist is added to plant, the cost thereof shall be accounted for in the same manner as for the addition of a retirement unit, as set forth in paragraph B(1), above, if a substantial addition results, otherwise the charge shall be to the appropriate maintenance expense account.

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

(3) When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, or of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate gas plant account.

D. The book cost of gas plant retired shall be the amount at which such property is included in the gas plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

E. 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 accumulated provision for depreciation, depletion, or amortization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, 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 105, Gas Plant Held for Future Use, or account 121, Nonutility Property, as appropriate.

F. The book cost less net salvage of depreciable gas plant retired shall be charged in its entirety to account 108, Accumulated Provision for Depreciation of Gas Plant in Service. Any amounts which, by approval or order of the Commission, are charged to account 182, Extraordinary Property Losses, shall be credited to account 108.

G. The accounting for the retirement of amounts included in account 302, Franchises and Consents, and account 303, Miscellaneous Intangible Plant, and the items of limited-term interest in land included in the accounts for land and land rights, shall be as provided for in the text of account 111.3, Accumulated Provision for Amortization of Other Gas Plant in Service, account 404.3, Amortization of Other Limited-Term Gas Plant, and account 405, Amortization of Other Gas Plant.

11. *Work order and property record system required.* A. Each utility shall record all construction and retirements of gas plant by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of gas plant or the retirements may be included with the construction work order, provided, however, that all items relating to the retirements shall be kept separate from those relating to construction and provided, further, that any maintenance costs involved in the work shall likewise be segregated.

B. Each utility shall keep its work order system so as to show the nature of each addition to or retirement of gas plant, the total cost thereof, the source or sources of costs, and the gas plant account or accounts to which charged or credited. Work orders covering jobs of short duration may be cleared monthly.

C. Each utility shall maintain records in which for each plant account the amounts of the annual additions and retirements are classified so as to show the number and the cost of the various retirement units or other appropriate record units included therein.

12. *Transfers of property.* When property is transferred from one gas plant account to another, from one utility department to another, such as from gas to electric, from one operating division or area to another, to or from accounts 101, Gas Plant in Service, 104, Gas Plant Leased to Others, 105, Gas Plant Held for Future Use, and 121, Nonutility Property, the transfer shall be recorded by transferring the original cost thereof from the one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provisions for depreciation, depletion, or amortization shall be transferred in accordance with the segregation of such accounts.

NOTE: Amounts included in account 113.1, Accumulated Provision for Abandonment of Leases, shall not be related to a particular lease, and, therefore, shall not be transferred under the provisions of this instruction.

13. *Common utility plant.*

A. If the utility is engaged in more than one utility service such as gas, electric, and water, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by utility services currently in the accounts, such property, with the approval of the Commission, may be designated and classified as "common utility plant."

B. Utility plant designated as common utility plant shall be classified according to the detailed utility plant accounts appropriate for the property.

C. The utility shall be prepared to show at any time and to report to the Commission annually, or more frequently, if required, and by utility plant accounts (301 to 399) the following: (1) The book cost of common utility plant, (2) The allocation of such cost to the respective departments using the common utility plant, and (3) The basis of the allocation.

D. The accumulated provision for depreciation and amortization of the utility shall be segregated so as to show the amount applicable to the property classified as common utility plant.

E. The expenses of operation, maintenance, rents, depreciation and amortization of common utility plant shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the common utility plant shall be supported in such manner as to reflect readily the basis of allocation used.

14. *Transmission and distribution plant.* For the purposes of this system of accounts:

A. "Transmission System" means the land, structures, mains, valves, meters, boosters, regulators, tanks, compressors and their driving units and appurtenances, and other equipment used primarily for transmitting gas from a production plant, delivery point of purchased gas, gathering system, storage area, or other wholesale source of gas, to one or more distribution areas. The transmission system begins at the outlet side of the valve at the connection to the last equipment in a manufactured gas plant, the connection to gathering lines or delivery point of purchased gas, and includes the equipment at such connection that is used to bring the gas to transmission pressure, and ends at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system or into a storage area. It does not include storage land, structures or equipment. Pipeline companies, however, shall include city gate and main line industrial measuring and regulating stations in the transmission function, except that where pipeline companies measure deliveries of gas to their own distribution systems they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purposes of this system of accounts.

B. "Distribution System" means the mains which are provided primarily for distributing gas within a distribution

area, together with land, structures, valves, regulators, services and measuring devices, including the mains for transportation of gas from production plants or points of receipt located within such distribution area to other points therein. The distribution system begins at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system and ends with and includes property on the customer's premises. It does not include storage land, structures, or equipment.

C. "Distribution Area" as used herein means a metropolitan area or other urban area comprising one or more adjacent or nearby cities, villages or unincorporated areas, including developed areas contiguous to main highways.

15. *Employee villages and living quarters.* Where employee villages or living quarters are provided for operators and attendants of a functional installation such as a compressor station or gasoline plant, the structures and improvements shall be classified in the related functional structures and improvements account. The furnishings of such residential and recreational facilities shall be classified in the equipment account of the related function.

Operating Expense Instructions

1. *Supervision and engineering.* The supervision and engineering includible in the operating expense accounts shall consist of the pay and expenses of superintendents, engineers, clerks, other employees and consultants engaged in supervising and directing the operation and maintenance of each utility function. Wherever allocations are necessary in order to arrive at the amount to be included in any account the method and basis of allocation shall be reflected by underlying records.

ITEMS

Labor:

1. Special tests to determine efficiency of equipment operation.
2. Preparing or reviewing budgets, estimates, and drawings relating to operation or maintenance for departmental approval.
3. Preparing instructions for operations and maintenance activities.
4. Reviewing and analyzing operating results.
5. Establishing organizational setup of departments and executing changes therein.
6. Formulating and reviewing routines of departments and executing changes therein.
7. General training and instruction of employees by supervisors whose pay is chargeable hereto. Specific instruction and training in a particular type of work is chargeable to the appropriate functional account.
8. Secretarial work for supervisory personnel, but not general clerical and stenographic work chargeable to other accounts.

Expenses:

9. Consultants' fees and expenses.
10. Meals, traveling and incidental expenses.

2. *Maintenance.* A. The cost of maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads and other expenses incurred in maintenance work. A list of work operations applicable generally to utility plant is included hereunder. Other work operations applicable to specific classes of plant are listed in functional maintenance expense accounts.

B. Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

C. If the book cost of any property is carried in account 102, Gas Plant Purchased or Sold, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other gas plant in service accounts. Maintenance of property leased from others shall be treated as provided in operating expense instruction 3.

ITEMS

1. Direct field supervision of maintenance.
2. Inspecting, testing, and reporting on condition of plant specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have been made.
3. Work performed specifically for the purpose of preventing failure, restoring serviceability or maintaining life of plant.
4. Rearranging and changing the location of plant not retired.
5. Repairing for reuse materials recovered from plant.
6. Testing for, locating and clearing trouble.
7. Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.
8. Replacing or adding minor items of plant which do not constitute a retirement unit. (See gas plant instruction 10.)

3. *Rents.* A. The rent expense accounts provided under the several functional groups of expense accounts shall include all rents, including taxes paid by the lessee on leased property, for property used in utility operations, except (1) minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be inculdible in plant accounts 391 to 398, inclusive, which shall be treated as an expense item and included in the appropriate functional account and (2) rents which are chargeable to clearing accounts, and distributed therefrom to the appropriate account. If rents cover property used for more than one function, such as production and transmission, or by more than one department, the rents shall be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.

B. When a portion of property or equipment rented from others for use in connection with utility operations is subleased, the revenue derived from such subleasing shall be credited to the rent revenue account in operating revenues: *Provided, however,* That in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

C. The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

D. The cost incurred by the lessee of additions and replacements to gas plant leased from others shall be accounted for as provided in gas plant instruction 6.

NOTE: The aggregate of the rents included in the functional operating expense accounts shall be included in the income statement in account 401, Operation Expense. However, where the rents are significant in amount, the aggregate thereof shall be shown separately in the income statement.

Balance Sheet Accounts

ASSETS AND OTHER DEBITS

1. UTILITY PLANT

UTILITY PLANT

Gas plant.

101 Gas plant in service.
102 Gas plant purchased or sold.
103 Gas plant in process of reclassification.
104 Gas plant leased to others.
105 Gas plant held for future use.
106 Completed construction not classified—Gas.
107 Construction work in progress—Gas.

Accumulated provision for depreciation and amortization.

108 Accumulated provision for depreciation of gas plant in service.
109 Accumulated provision for depreciation of gas plant leased to others.
110 Accumulated provision for depreciation of gas plant held for future use.
111.1 Accumulated provision for amortization and depletion of producing natural gas lands and land rights.
111.2 Accumulated provision for amortization of underground storage land and land rights.
111.3 Accumulated provision for amortization of other gas plant in service.
112 Accumulated provision for amortization and depletion of gas plant leased to others.
113.1 Accumulated provision for abandonment of leases.
113.2 Accumulated provision for amortization of other gas plant held for future use.
114 Gas plant acquisition adjustments.
115 Accumulated provision for amortization of gas plant acquisition adjustments.
116 Other gas plant adjustments.
117 Gas stored underground—Noncurrent.
118 Other utility plant.
119 Accumulated provision for depreciation and amortization of other utility plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.
122 Accumulated provision for depreciation and amortization of nonutility property.
123 Investment in associated companies.
124 Other investments.

Special funds.

125 Sinking funds.
126 Depreciation fund.
128 Other special funds.

3. CURRENT AND ACCRUED ASSETS

131 Cash.

Special deposits.

132 Interest special deposits.
133 Dividend special deposits.
134 Other special deposits.
135 Working funds.
136 Temporary cash investments.

Notes and accounts receivable.

141 Notes receivable.
142 Customer accounts receivable.
143 Other accounts receivable.
144 Accumulated provision for uncollectible accounts—Credit.

Receivables from associated companies.

145 Notes receivable from associated companies.
146 Accounts receivable from associated companies.

Materials and supplies.

151 Fuel.
152 Fuel stock expenses.
153 Residuals and extracted products.
154 Plant materials and operating supplies.
155 Merchandise.
156 Other materials and supplies.
163 Stores expense.
164 Gas stored underground—Current.
165 Prepayments.

Other current and accrued assets.

171 Interest and dividends receivable.
172 Rents receivable.
173 Accrued utility income.
174 Miscellaneous current and accrued assets.

4. Deferred Debits

181 Unamortized debt discount and expense.
182 Extraordinary property losses.

Other deferred debits.

183.1 Preliminary natural gas survey and investigation charges.
183.2 Other preliminary survey and investigation charges.
184 Clearing accounts.
185 Temporary facilities.
186 Miscellaneous deferred debits.

LIABILITIES AND OTHER CREDITS

5. Proprietary Capital

Common capital stock.

201 Common stock issued.
202 Common stock subscribed.
203 Common stock liability for conversion.

Preferred capital stock.

204 Preferred stock issued.
205 Preferred stock subscribed.
206 Preferred stock liability for conversion.

Other paid-in capital.

207 Premium on capital stock.
208 Donations received from stockholders.
209 Reduction in par or stated value of capital stock.
210 Gain on resale or cancellation of reacquired capital stock.
211 Miscellaneous paid-in capital.
212 Installments received on capital stock.
213 Discount on capital stock.
214 Capital stock expense.
215 Appropriated earned surplus.
216 Unappropriated earned surplus.
217 Reacquired capital stock.

6. Long-Term Debt

Bonds.

221 Bonds.
222 Reacquired bonds.
223 Advances from associated companies.
224 Other long-term debt.

7. Current and Accrued Liabilities

231 Notes payable.
232 Accounts payable.

Payables to associated companies.

233 Notes payable to associated companies.
234 Accounts payable to associated companies.
235 Customer deposits.
236 Taxes accrued.
237 Interest accrued.

Other current and accrued liabilities.

238 Dividends declared.
239 Matured long-term debt.
240 Matured interest.
241 Tax collections payable.
242 Miscellaneous current and accrued liabilities.

8. Deferred Credits

251 Unamortized premium on debt.
252 Customer advances for construction.
253 Other deferred credits.

9. Operating Reserves

261 Property insurance reserve.
262 Injuries and damages reserve.
263 Pensions and benefits reserve.
265 Miscellaneous operating reserves.

10. Contributions in Aid of Construction

271 Contributions in aid of construction.

11. Accumulated Deferred Taxes on Income

281 Accumulated deferred taxes on income—Accelerated amortization.
282 Accumulated deferred taxes on income—Liberalized depreciation.
283 Accumulated deferred taxes on income—Other.

Balance Sheet Accounts

1. Utility Plant

101 Gas plant in service.

A. This account shall include the original cost of gas plant, included in accounts 301 to 399 prescribed herein, owned and used by the utility in its gas operations, and having an expectation of life in service of more than one year from date of installation. Including such property owned by the utility but held by nominees. (See also account 106 for unclassified construction costs of completed plant actually in service.)

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be recorded in subdivisions separate and distinct from those relating to owned property. (See gas plant instruction 6.)

102 Gas plant purchased or sold.

A. This account shall be charged with the cost of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts in accordance with gas plant instruction 5.

B. Within six months from the date of acquisition or sale of property recorded herein, the utility shall file with the Commission the proposed journal entries to clear from this account the amounts recorded herein.

103 Gas plant in process of reclassification.

A. This account shall include temporarily the balance of gas plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detailed or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the gas plant accounts herein prescribed (301–399), 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 such unclassified gas plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

104 Gas plant leased to others.

A. This account shall include the original cost of gas plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts (301 to 399) prescribed for gas plant in service and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

105 Gas plant held for future use.

A. This account shall include the original cost of gas plant owned and held for future use in gas service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in gas service, but held for such service in the future under a definite plan, and property previously used by the utility in gas service, but retired from such service and held pending its reuse in the future, under a definite plan, in gas service. This includes land and land rights held to insure a future supply of natural gas.

B. The property included in this account shall be classified according to the detailed accounts (301 to 399) prescribed for gas plant in service and the account shall be maintained in such detail as though the property were in service.

NOTE A. Materials and supplies, meters and house regulators held in reserve, and normal spare capacity of plant in service shall not be included in this account.

NOTE B. Include in this account natural gas wells shut in after construction which have not been connected with the line; also, natural gas wells which have been connected with the line but which are shut in for any reason excepting seasonal excess capacity or governmental proration requirements or for repairs.

106 Completed construction not classified—Gas.

At the end of the year or such other date as a balance sheet may be required by the Commission, this account shall include the total of the balances of work orders for gas plant which has been completed and placed in service but which work orders have not been classified for transfer to the detailed gas plant accounts.

NOTE. For the purpose of reporting to the Commission the classification of gas plant in service by accounts is required, the utility shall also report the balance in this account tentatively classified as accurately as practicable according to prescribed account classifications. The purpose of this provision is to avoid any significant omissions in reported amounts of gas plant in service.

107 Construction work in progress—Gas.

A. This account shall include the total of the balances of work orders for gas plant in process of construction.

B. Work orders shall be cleared from this account as soon as practicable after completion of the job. Further, if a project, such as a gas production plant, a compressor station, or a transmission line, is designed to consist of two or more units which may be placed in service at different dates, any expenditures which are common to and which will be used in the operation of the project as a whole shall be included in gas plant in service upon the completion and the readiness for service of the first unit. Any expenditures which are identified exclusively with units of property not yet in service shall be included in this account.

108 Accumulated provisions for depreciation of gas plant in service.

A. This account shall be credited with the following:

(1) Amounts charged to account 403, Depreciation Expense, to account 416, Cost and Expenses of Merchandising, Jobbing, and Contract Work, or account 915, Cost and Expenses of Merchandising, Jobbing, and Contract Work, or to clearing accounts for current depreciation expense.

(2) Amounts charged to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation.

(3) Amounts of depreciation applicable to gas properties acquired as operating units or systems. (See gas plant instruction 5.)

(4) Amounts charged to account 182, Extraordinary Property Losses, when authorized by the Commission.

(5) Amounts of depreciation applicable to gas plant donated to the utility.

B. At the time of retirement of depreciable gas plant in service, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirements, cost of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate subaccount hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

C. For general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for depreciation. For purposes of analysis, however, each utility shall maintain subsidiary records in which this account is segregated according to the following functional classification for gas plant: (1) Production—manufactured gas, (2) Production and gathering—natural gas, (3) Products extraction—natural gas, (4) Underground gas storage, (5) Local storage, (6) Transmission, (7) Distribution, and (8) General. These subsidiary records shall reflect the current credits and debits to this account in sufficient detail to show separately for each such functional classification (a) the amount of provision for depreciation, (b) the book cost of property retired, (c) cost of removal, (d) salvage, and (e) other items, including recoveries from insurance.

D. When transfers of plant are made from one gas plant account to another, or from or to nonutility property, the accounting shall be as provided in gas plant instruction 12.

E. The utility is restricted in its use of the provisions for depreciation to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission.

109 Accumulated provision for depreciation of gas plant leased to others.

A. This account shall be credited with amounts charged to account 413, Expenses of Gas Plant Leased to Others, for current depreciation expense or to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation of property included in account 104, Gas Plant Leased to Others. Include, also, credits for depreciation applicable to plant acquired as operating units or systems, to plant donated to the utility or for losses transferred to account 182, Extraordinary Property Losses.

B. The requirements of account 108. Accumulated Provision for Depreciation of Gas Plan in Service, regarding retirements chargeable thereto and of subsidiary data to be maintained shall be applicable likewise to this account.

C. The utility is restricted in its use of the accumulated provisions for depreciation to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission.

110 Accumulated provision for depreciation of gas plant held for future use.

This account shall be credited with amounts charged to account 421, Miscellaneous Nonoperating Income, for depreciation expense on property included in account 105, Gas Plant Held for Future Use. Include also the balance of accumulated provision for depreciation on property which may be transferred to account 105, Gas Plant Held for Future Use, from other property accounts.

NOTE: Normally, this account will not be used for current depreciation provisions because, as provided herein, the service life during which depreciation is computed commences with the date property is includible in gas plant in service. However, if special circumstances indicate the propriety of current accruals for depreciation, such charges shall be made to account 421, Miscellaneous Nonoperating Income.

111.1 Accumulated provision for amortization and depletion of producing natural gas land and land rights.

A. This account shall be credited with amounts charged to account 404.1, Amortization and Depletion of Producing Natural Gas Land and Land Rights, to provide for the current amortization and depletion of land and land rights from which natural gas is obtained. (See gas plant instruction 7–H).

B. When any property to which this account applies 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 net proceeds realized at retirement shall be included in account 435, Miscellaneous Debits to Surplus, or account 434, Miscellaneous Credits to Surplus, as appropriate.

C. When natural gas producing land or land rights are sold, relinquished, or otherwise retired from service, the book cost of the land or land rights so retired, less any proceeds realized at retirement, shall be charged to this account; provided, however, that any excess of the book cost (less proceeds realized from sale) over the amount accumulated therefor in this account shall be debited to account 435, Miscellaneous Debits to Surplus, or account 434, Miscellaneous Credits to Surplus, credited if proceeds exceed the book cost minus accumulated provisions in the account with respect to such book cost.

D. Records shall be maintained so as to show separately the balance applicable to each item of land and land rights which is being amortized or depleted, except that natural gas land and land rights which comprise an interest in a production area may be grouped to form a unit for amortization and depletion and the accumulated provision applicable thereto need not be segregated to show the amount related to each gas right included therein.

E. The utility is restricted in its use of the accumulated provision for amortization and depletion to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission.

111.2 Accumulated provision for amortization of underground storage land and land rights.

A. This account shall be credited with amounts charged to account 404.2, Amortization of Underground Storage Land and Land Rights, to provide for current amortization of land and land rights utilized in connection with underground gas storage operations.

B. This account also shall include all amounts of accumulated past provisions for amortization and depletion of natural gas lands and land rights converted to underground gas storage purposes. These amounts shall be transferred to this account from other accounts in which included on conversion of such property to underground storage use.

C. When any property to which this account applies 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 net proceeds realized at retirement shall be included in account 435, Miscellaneous Debits to Surplus, or account 434, Miscellaneous credits to Surplus, as appropriate.

D. Records shall be maintained so as to show separately the balance applicable to each underground gas storage project.

E. The utility is restricted in its use of the provisions to the purposes set forth above. It shall not transfer any portion of the account to surplus or make any other use thereof without authorization by the Commission.

111.3 Accumulated provision for amortization of other gas plant in service.

A. This account shall be credited with amounts charged to account 404.3, Amortization of Other Limited-Term Gas Plant for the current amortization of limited-term gas investments, or to account 435, Miscellaneous Debits to Surplus, for past accrued amortization. It shall be credited also with amounts which may be charged to account 405, Amortization of Other Gas Plant, to account 425, Miscellaneous Amortization, or to account 435, Miscellaneous Debits to Surplus, to amortize intangible or other gas plant which is not subject to charges for depreciation expense and for which the accumulated amortization is not includible in either of the preceding accounts.

B. When any property to which this account applies 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 net proceeds realized at retirement shall be included in account 435, Miscellaneous Debits to Surplus, or account 434, Miscellaneous Credits to Surplus, as appropriate.

C. Records shall be maintained so as to show separately the balance applicable to each class of property which is being amortized.

D. The utility is restricted in its use of the accumulated provisions for amortization to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission.

112 Accumulated provision for amortization and depletion of gas plant leased to others.

A. This account shall be credited with amounts charged to account 413, Expenses of Gas Plant Leased to Others, for the current amortization and depletion of producing gas lands, limited-term, or other investments subject to amortization included in account 104, Gas Plant Leased to Others, or to account 435, Miscellaneous Debits to Surplus, for past accrued amortization, including such amounts as may be applicable to underground gas storage property leased to others.

B. When any property to which this account applies 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 net proceeds realized at retirement shall be included in account 435, Miscellaneous Debits to Surplus, or account 434, Miscellaneous Credits to Surplus, as appropriate.

C. Records shall be maintained so as to show separately the balance applicable to each class of property which is being amortized. Amounts applicable to producing natural gas lands shall be shown in a separate account.

113.1 Accumulated provision for abandonment of leases.

A. This account shall be credited with amounts concurrently charged to account 797, Abandoned Leases, for the purpose of providing for the costs of natural gas leases which may be abandoned and which have never been productive.

B. When such natural gas leases are abandoned, the cost thereof, including expenses incidental to abandonment, shall be charged to this account; provided, however, that any deficiency in this account at the time of abandonment of the lease shall be charged to account 797, Abandoned Leases.

C. Records supporting this account shall be so kept as to show for each abandoned lease the date and period thereof, location, date abandoned, and the nature and amounts of the cost.

D. The utility is restricted in its use of the accumulated provisions for amortization to the purposes set forth above. It shall not transfer any portion of the reserve to surplus or make any other use thereof without authorization by the Commission.

NOTE: No provision shall be made in this account for the abandonment of producing natural gas leases, and the provisions of gas plant instruction 12, Transfers of Property, shall not apply to amounts included herein. (See account 111.1, Accumulated Provision for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

113.2 Accumulated provision for amortization of other gas plant held for future use.

This account shall be credited with amounts charged to account 421, Miscellaneous Nonoperating Income, for amortization expense on property included in account 105, Gas Plant Held for Future Use, not including, however, provisions for abandoned natural gas leases. Include, also, the balance of accumulated provision for amortization on property which may be transferred to account 105, Gas Plant Held for Future Use, from other property accounts.

NOTE: Normally, this account will not be used for current amortization provisions because, as provided herein, the service life during which amortization is computed commences with the date property is includible in utility plant in service. However, if special circumstances indicate the propriety of current accruals for depreciation or amortization, such charges shall be made to account 421, Miscellaneous Nonoperating Income.

114 Gas plant acquisition adjustments.

A. This account shall include the difference between (a) the cost to the accounting utility of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provisions for depreciation, depletion, and amortization and contributions in aid of construction with respect to such property.

B. With respect to acquisitions after the effective date of this system of accounts, this account shall be subdivided so as to show the amounts included herein for each property acquisition and to gas plant in service, gas plant held for future use and gas plant leased to others. (See gas plant instruction 5.)

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

115 Accumulated provision for amortization of gas plant acquisition adjustments.

This account shall be credited or debited with amounts which are includible in account 406, Amortization of Gas Plant Acquisition Adjustments, account 425, Miscellaneous Amortization, or account 435, Miscellaneous Debits to Surplus, for the purpose of providing for the extinguishment of amounts in account 114, Gas Plant Acquisition Adjustments, in instances where the amortization of account 114 is not being made by direct write-off of the account.

116 Other gas plant adjustments.

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of gas plant to the extent that such difference is not properly includible in account 114, Gas Plant Acquisition Adjustments.

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

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of gas plant.

117 Gas stored underground—Noncurrent.

A. This account shall include the cost of gas purchased or produced by the utility which is stored in depleted or partially depleted gas or oil fields, or other underground reservoirs, and held for use in meeting service requirements of the utility's customers.

B. Gas stored during the year shall be priced at cost according to generally accepted methods of cost determination consistently applied from year to year. Transmission expenses for facilities of the utility used in moving the gas to the storage area and expenses of storage facilities shall not be included in the inventory of gas except as may be authorized or directed by the Commission.

NOTE B-1: In general, gas stored from the supply in an integrated system shall be priced at the average cost of the gas constituting the common supply of the system, although this general rule may be departed from where conditions of system operation of gas supply and utilization permit a valid presumption that the gas stored may be considered to be from specified sources, as indicated below.

NOTE B-2: When in harmony with the over-all system operation of gas supply and utilization, and the presumption is consistently observed from year to year, gas stored during the year may be presumed to be from total gas purchases, or from purchases from specified sources. When either of these presumptions is proper, the cost of gas stored shall be priced at the weighted average cost of all gas purchased, or at the weighted average cost of purchases from the specified sources, as appropriate. The weighted average cost may be the average for the preceding twelve months, except where a significant change occurs in the cost of gas, the full effect of such change shall be reflected for the period after the change is effective.

NOTE B-3: When in harmony with the over-all system operation of gas supply and utilization, and the presumptions are consistently observed from year to year, gas stored during the year may be presumed to be from identified sources of the utility's own production. Such stored gas shall be priced at the weighted average cost of gas produced from the specified production areas. Where this presumption is made, or where the stored gas is identified as a matter of fact under circumstances which do not permit a proper application of the theory of displacement, the utility shall maintain separate records of the cost of gas produced from such areas and the derivation of the cost used for stored gas from such sources.

NOTE B-4: Where gas is purchased specifically for storage, or a price concession received because of the storing of purchased gas, such gas shall be priced at the net contract price of the gas so purchased and stored.

NOTE B-5: The provisions of this instruction and the related footnotes shall not be construed as permitting or authorizing a restatement of the amounts at which stored gas inventories are stated on the utility's books at the effective date of this instruction, except as may be authorized by the Commission.

C. Withdrawals of gas may be priced according to the first-in-first-out, last-in-first-out, or weighted average cost method, in connection with which a "base stock" may be employed provided the method adopted by the utility is used consistently from year to year and the inventory records are maintained in accordance therewith. Approval of the Commission must be obtained for any other pricing method, or change in the pricing method adopted by the utility.

D. If the gas of any storage project is withdrawn below the amount established as "base stock" or encroaches upon native gas of a storage reservoir, and such gas is to be replaced within 12 months, it shall be permissible to price such gas at the estimated cost of replacement with purchased gas and to record a deferred credit therefor. For the purpose of this instruction, account 808, Gas Withdrawn from Underground Storage—Debit, shall be charged with the estimated cost of such replacement gas and account 253, Other Deferred Credits, credited. When replacement of the gas is made the amount in account 253 shall be cleared and this account credited. This accounting will not affect normal accounting for inputs and withdrawals from storage.

E. Separate records shall be maintained for each storage project of the Mcf of gas delivered to storage, withdrawn from storage, and remaining in storage. The projects shall be grouped, however, for the purpose of maintaining inventory cost records of the cost of gas in storage. Exceptions to this general rule are permitted in any of the following circumstances:

(a) Projects at the supply end of long transmission lines,

(b) Projects located on separate noninterconnected pipeline systems, and

(c) Projects which by contractual arrangements approved by the Commission are devoted exclusively to the service of specified customers, and no portion of the gas withdrawals from any such project becomes part of the common system gas supply by displacement or otherwise.

Where the utility establishes specified volumes of gas as "base stock," separate inventory cost records by projects shall be maintained therefor.

F. Amounts debited to this account for gas placed in storage shall be credited to account 809, Gas Delivered to Underground Storage—Credit. Amounts credited to this account for gas withdrawn from storage shall be debited to account 808, Gas Withdrawn from Underground Storage—Debit.

G. Adjustments for inventory losses due to cumulative inaccuracies of gas measurements, or from other causes, shall be charged to account 823, Gas Losses. (See, however, General Instruction 7, Delayed Items, for any loss so large as to cause distortion of the accounts.) In the operation of storage projects the utility shall maintain such procedures of verification as will disclose and result in prompt accounting recognition of significant losses.

This account shall be credited with an amount equal to that debited to account 164, Gas Stored Underground—Current, to classify for balance sheet purposes such portion of the total inventory of gas stored underground as constitutes a current asset according to conventional rules for classification of current assets. (See account 164.)

118 Other utility plant.

This account shall include the balance in accounts for utility plant, other than gas plant, such as electric, railway, etc.

119 Accumulated provision for depreciation and amortization of other utility plant.

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

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.

A. This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 105, Gas Plant Held for Future Use.

B. This account shall be subdivided so as to show the amount of property used in operations which are nonutility in character but nevertheless constitute a distinct operating activity of the company (such as operation of an ice department where such activity is not classed as a utility) and the amount of miscellaneous property not used in operations. The records in support of each subaccount shall be maintained so as to show an appropriate classification of the property.

122 Accumulated provision for depreciation and amortization of nonutility property.

This account shall include the accumulated provision for depreciation and amortization applicable to nonutility property.

123 Investment in associated companies.

A. This account shall include the book cost of investments in securities issued or assumed by associated companies and investment advances to such companies, including interest accrued thereon when such interest is not subject to current settlement. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

B. The account shall be maintained in such manner as to show the investment in securities of, and advances to, each associated company together with full particulars regarding any of such investments that are pledged.

NOTE A: Securities and advances 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.

NOTE B: Securities of associated companies held as temporary cash investments are includible in account 136, Temporary Cash Investments.

NOTE C: Balances in open accounts with associated companies, which are subject to current settlement, are includible in account 146, Accounts Receivable from Associated Companies.

NOTE D: The utility may write down the 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 securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to account 435, Miscellaneous Debits to Surplus, or to an appropriate account for accumulated provisions for loss in value established as a separate subdivision of this account.

124 Other investments.

A. This account shall include the book cost of investments in securities issued or assumed by nonassociated companies, investment advances to such companies, and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

B. The cost of capital stock of the utility reacquired by it under a definite plan for resale pursuant to authorization by the Board of Directors may, if permitted by statutes, be included in a separate subdivision of this account. (See also account 217, Reacquired Capital Stock.)

C. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

NOTE A: Securities owned and pledged shall be included in this account, but securities held in special deposits or in special funds shall be included in appropriate deposit or fund accounts. A complete record of securities pledged shall be maintained.

NOTE B: Securities held as temporary cash investments shall not be included in this account.

NOTE C: See Note D of account 123.

125 Sinking funds.

This account shall include the amount of cash and book cost of investments held in sinking funds. A separate account, with appropriate title, shall be kept for each sinking fund. Transfers from this account to special deposit accounts, may be made as necessary for the purpose of paying matured sinking-fund obligations, or obligations called for redemption but not presented, or the interest thereon.

126 Depreciation fund.

This account shall include the amount of cash and the book cost of investments which have been segregated in a special fund for the purpose of identifying such assets with the accumulated provisions for depreciation.

128 Other special funds.

This account shall include the amount of cash and book cost of investments which have been segregated in special funds for insurance, employee pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

NOTE: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employee benefits shall not be included in this account.

3. CURRENT AND ACCRUED ASSETS

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. 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 provision for possible loss has been made therefor. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

131 Cash.

This account shall include the amount of current cash funds except working funds.

132 Interest special deposits.

This account shall include special deposits with fiscal agents or others for the payment of interest.

133 Dividend special deposits.

This account shall include special deposits with fiscal agents or others for the payment of dividends.

134 Other special deposits.

This account shall include deposits with fiscal agents or others for special purposes other than the payment of interest and dividends. 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; cash realized from the sale of the accounting utility's securities and deposited with trustees to be held until invested in property of the utility, etc. Entries to this account shall specify the purpose for which the deposit is made.

NOTE: Assets available for general corporate purposes shall not be included in this account. Further, deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 128, Other Special Funds.

135 Working funds.

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

136 Temporary cash investments.

A. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

141 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, except, however, notes receivable from associated companies. (See account 136, Temporary Cash Investments, and account 145, Notes Receivable from 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 a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142 Customer accounts receivable.

A. This account shall include amounts due from customers for utility service, and for merchandising, jobbing, and contract work. This account shall not include amounts due from associated companies.

B. This account shall be maintained so as to show separately the amounts due for merchandising, jobbing, and contract work.

143 Other accounts receivable.

A. This account shall include amounts due the utility upon open accounts, other than amounts due from associated companies and from customers for utility services and merchandising, jobbing, and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See account 135, Working funds.)

144 Accumulated provision for uncollectible accounts—Cr.

A. This account shall be credited with amounts provided 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 904, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-offs of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

Utility Customers.
Merchandising, Jobbing and Contract Work.
Officers and Employees.
Others.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B: If provisions for uncollectible notes receivable or for uncollectible receivables from associated companies are necessary, separate subaccounts therefor shall be established under the account in which the receivable is carried.

145 Notes receivable from associated companies.

146 Accounts receivable from associated companies.

These accounts shall include 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 issue, together with any interest thereon, and debit balances subject to current settlement in open accounts with associated companies. Items which do not bear a specified due date but which have been carried for more than twelve months and items which are not paid within twelve months from due date shall be transferred to account 123, Investment in Associated Companies.

NOTE A: On the balance sheet, accounts receivable from an associated company may be set off against accounts payable to the same company.

NOTE B: The face amount of notes receivable discounted, sold or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

151 Fuel.

This account shall include the book cost of fuel on hand.

ITEMS

1. Invoice price of fuel less any cash or other discounts.
2. Freight, switching, demurrage and other transportation charges, not including, however, any charges for unloading from the shipping medium.
3. Excise taxes, purchasing agents' commissions, insurance and other expenses directly assignable to cost of fuel.

152 Fuel stock expenses.

A. This account may include the cost of labor and of supplies used and expenses incurred in unloading fuel from the shipping medium and in the handling thereof prior to its use, if such expenses are sufficiently significant in amount to warrant being treated as a part of the cost of fuel inventory rather than being charged direct to expense as incurred.

B. Amounts included herein shall be charged to expense as the fuel is used to the end that the balance herein shall not exceed the expenses attributable to the inventory of fuel on hand.

ITEMS

Labor:
1. Procuring and handling of fuel.
2. All routine fuel analyses.
3. Unloading from shipping facility and putting in storage.
4. Moving of fuel in storage and transferring from one station to another.
5. Handling from storage or shipping facility to first bunker, hopper, bucket, tank or holder of boiler house structure.
6. Operation of mechanical equipment, such as locomotives, trucks, cars, boats, barges, cranes, etc.

Supplies and Expenses:
7. Tools, lubricants and other supplies.
8. Operating supplies for mechanical equipment.
9. Transportation and other expenses in moving fuel.
10. Stores expenses applicable to fuel.

153 Residuals and extracted products.

This account shall include the book cost of residuals or extracted products produced in the manufacture of gas or in natural gas products extraction operations including like products purchased for resale.

154 Plant materials and operating supplies.

A. This account shall include the cost of plant materials and operating supplies purchased primarily for use in the utility business. It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance or accumulated depreciation provision, respectively, and included herein as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.

(2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

(3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realizable therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable, shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative average, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

ITEMS

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customs duties and excise taxes.
4. Costs of inspection and special tests prior to acceptance.
5. Insurance and other directly assignable charges.

NOTE: Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they shall be charged to account 163, Stores Expense.

155 Merchandise.

This account shall include the book cost of materials and supplies, and appliances and equipment held primarily for merchandising, jobbing, and contract work. The principles prescribed in accounting for utility materials and supplies shall be observed in respect to items carried in this account.

156 Other materials and supplies.

This account shall include the book cost of materials and supplies held primarily for nonutility purposes. The principles prescribed in accounting for utility materials and supplies shall be observed in respect to items carried in this account.

163 Stores expense.

A. This account shall include the cost of supervision, labor and expenses incurred in the operation of general storerooms, including purchasing, storage, handling and distribution of materials and supplies.

B. This account shall be cleared by adding to the cost of materials and supplies issued a suitable loading charge which will distribute the expense equitably over stores issues. The balance in the account at the close of the year shall not exceed the amount of stores expenses reasonably attributable to the inventory of materials and supplies exclusive of fuel, as any amount applicable to fuel cost should be included in account 152, Fuel Stock Expenses.

ITEMS

Labor:
1. Inspecting and testing materials and supplies when not assignable to specific items.
2. Unloading from shipping facility and putting in storage.
3. Supervision of purchasing and stores department to extent assignable to materials handled through stores.
4. Getting materials from stock and in readiness to go out.
5. Inventorying stock received or stock on hand by stores employees but not including inventories by general department employees as part of internal or general audits.
6. Purchasing department activities in checking material needs, investigating sources of supply, analyzing prices, preparing and placing orders, and related activities to extent applicable to materials handled through stores. (Optional. Purchasing department expenses may be included in administrative and general expenses.)
7. Maintaining stores equipment.
8. Cleaning and tidying storerooms and stores offices.
9. Keeping stock records, including recording and posting of material receipts and issues and maintaining inventory record of stock.
10. Collecting and handling scrap materials in stores.

Supplies and Expenses:
11. Adjustments of inventories of materials and supplies but not including large differences which can readily be assigned to important classes of materials and equitably distributed among the accounts to which such classes of materials have been charged since the previous inventory.
12. Cash and other discounts not practically assignable to specific materials.
13. Freight, express, etc., when not assignable to specific items.
14. Heat, light and power for storerooms and store offices.
15. Brooms, brushes, sweeping compounds and other supplies used in cleaning and tidying storerooms and stores offices.
16. Injuries and damages.
17. Insurance on materials and supplies and on stores equipment.
18. Losses due to breakage, leakage, evaporation, fire or other causes, less credits for amounts received from insurance, transportation companies or others in compensation of such losses.
19. Postage, printing, stationery and office supplies.
20. Rent of storage space and facilities.
21. Communication service.
22. Excise and other similar taxes not assignable to specific materials.
23. Transportation expense on inward movement of stores and on transfer between storerooms but not including charges on materials recovered from retirements which shall be accounted for as part of cost of removal.

NOTE: A physical inventory of each class of materials and supplies shall be made at least every two years.

164 Gas stored underground—Current.

This account shall be debited with such amounts as are credited to Account 117, Gas Stored Underground—Noncurrent, to reflect classification for balance sheet purposes of such portion of the inventory of gas stored underground as represents a current asset according to conventional rules for classification of current assets.

NOTE: It shall not be considered conformity to conventional rules of current asset

classification if the amount included in this account exceeds an amount equal to the cost of estimated withdrawals of gas from storage for purposes of sale within the 24-month period from date of the balance sheet, or if the amount represents a volume of gas which, in fact, could not be withdrawn from storage without impairing the pressure level of any project for normal operating purposes.

165 Prepayments.

This account shall include amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items, and shall be kept or supported in such manner as to disclose the amount of each class of prepayment.

171 Interest and dividends receivable.

This account shall include the amount of interest on bonds, mortgages, notes, commercial paper, loans, open accounts, deposits, etc., the payment of which is reasonably assured, and the amount of dividends declared or guaranteed on stocks owned.

NOTE A: Interest which is not subject to current settlement shall not be included herein but in the account in which is carried the principal on which the interest is accrued.

NOTE B: Interest and dividends receivable from associated companies shall be included in account 146, Accounts Receivable from Associated Companies.

172 Rents receivable.

This account shall include rents receivable or accrued on property rented or leased by the utility to others.

NOTE: Rents receivable from associated companies shall be included in account 146, Accounts Receivable From Associated Companies.

173 Accrued utility revenues.

At the option of the utility, the estimated amount accrued for service rendered, but not billed at the end of any accounting period, may be included herein. In case accruals are made for unbilled revenues, they shall be made likewise for unbilled expenses, such as for the purchase of gas.

174 Miscellaneous current and accrued assets.

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.

A. This account shall include the total of the debit balances in the discount, expense, and premium accounts for all classes of long-term debt, determined as provided in the following paragraphs of this account.

B. A discount, expense, and premium account shall be maintained for each class and series of long-term debt (including receivers' certificates) issued or assumed by the utility, in which shall be recorded the discount, expense, and premium associated with the issuance and sale of each such class and series of debt. In stating the balance sheet, the total of the debit balances remaining in those accounts having debit balances shall be reported under this account and the total of credit balances remaining in those accounts having credit balances shall be reported under account 251, Unamortized Premium on Debt. Accounts with debit balances shall not be set off against accounts with credit balances.

C. The discount, expense, and premium shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be on a monthly basis, and the amounts thereof shall be charged to account 428, Amortization of Debt Discount and Expense, or credited to account 429, Amortization of Premium on Debt.—Cr., as may be appropriate. The utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

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 face value plus the unamortized premium or less the unamortized discount and expense, as the case may be, applicable to the debt redeemed, retired and canceled, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits 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 maturity date of the first issue, account 434, Miscellaneous Credits to Surplus or account 435, Miscellaneous Debits to Surplus, shall be credited or debited, as appropriate, with any unamortized discount, expense, or premium on the first issue and any premium paid or discount earned on the redemption, after reducing the aggregate of such amounts by an amount equal to the saving in income taxes from the refunding transactions, as to which a special charge of similar amount shall be entered in account 428, Amortization of Debt Discount and Expense. 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; provided, however, that special permission of the Commission shall not be necessary, if the utility proceeds with a plan of disposition of the discount, expense, and redemption premiums associated with the refunded bonds, as follows:

(1) A special charge is recorded in the year of refunding in account 428, Amortization of Debt Discount and Expense, equal to the saving in income taxes arising from the refunding transactions;

(2) There is charged to account 435, Miscellaneous Debits to Surplus, in the year of refunding, any amounts of unamortized discount and expenses or redemption premiums relating to bonds or other long-term obligations previously refunded by the refunded bonds under immediate consideration, such amounts sometimes being referred to as "grandfather items"; and,

(3) The utility proceeds to amortize by equal monthly charges, from the date of refunding, the remainder of the charges associated with the refunded bonds, over a period not longer than that in which the saving in net annual interest and amortization charges equals the remainder of charges to be amortized, after taking into consideration the estimated additional taxes on income attributable to the saving in net annual interest and amortization charges.

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 account 432, Interest Charged to Construction—Cr.

182 Extraordinary property losses.

A. When authorized or directed by the Commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provisions for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all, or a portion, of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Commission for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges, and other pertinent information.

183.1 Preliminary natural gas survey and investigation charges.

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of acquiring land and land rights to provide a future supply of natural gas. If such land or land rights are acquired, this account shall be credited and the appropriate gas plant account (see gas plant instruction 7–G) charged with the amount of the expenditures related to such acquisition. If the project is abandoned, the expenditures related thereto shall be charged to account 798, Other Exploration.

B. The records supporting the entries to this account shall be so kept that the utility can furnish, for each investigation, complete information as to the identification and location of territory investigated, the number or other identification assigned to the land tract or leasehold acquired, and the nature and respective amounts of the charges.

NOTE: The amount of preliminary survey and investigation charges transferred to gas plant shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to gas plant.

183.2 Other preliminary survey and investigation charges.

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation, other than the acquisition of land and land rights to provide a future supply of natural gas. If construction results, this account shall be credited and the appropriate utility plant account charged. If the work is abandoned, the charge shall be made to account 435, Miscellaneous Debits to Surplus, or the appropriate operating expense account.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information as to the nature and the purpose of the survey, plans, or investigations and the nature and amounts of the several charges.

NOTE: The amount of preliminary survey and investigation charges transferred to utility plant shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to utility plant.

184 Clearing accounts.

This caption shall include undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

185 Temporary facilities.

This account shall include amounts shown by work orders for plant installed for temporary use in utility service for periods of less than one year. Such work orders shall be charged with the cost of temporary facilities and credited with payments received from customers and net salvage realized on removal of the temporary facilities. Any net credit or debit resulting shall be cleared to account 488, Miscellaneous Service Revenues.

186 Miscellaneous deferred debits.

A. This account shall include all debits not elsewhere provided for, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization and items the proper final disposition of which is uncertain.

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

5. PROPRIETARY CAPITAL

201 Common stock issued.

204 Preferred stock issued.

A. These accounts shall include the par value or the stated value of stock without par value if such stock has a stated value, and, if not, the cash value of the consideration received for such nonpar stock, of each class of capital stock actually issued, including the par or stated value of such capital stock in account 124, Other Investments and account 217, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more or less than the par or stated value of any stock having a par or stated value, the difference shall be credited or debited, as the case may be, to the premium or discount account for the particular class and series.

C. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

NOTE: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment shall be credited to account 207, Premium on Capital Stock; provided, however, that the credit shall be made to account 213, Discount on Capital Stock, to the extent of any remaining balance of discount on the issue of stock.

202 Common stock subscribed.

205 Preferred stock subscribed.

A. These accounts shall include the amount of legally enforceable subscriptions to capital stock of the utility. They shall be credited with the par or stated value of the stock subscribed, exclusive of accrued dividends, if any. Concurrently, a debit shall be made to subscriptions to capital stock, included as a separate subdivision of account 143, Other Accounts Receivable, for the agreed price and any discount or premium shall be debited or credited to the appropriate discount or premium account. When properly executed stock certificates have been issued representing the shares subscribed, this account shall be debited, and the appropriate capital stock account credited, with the par or stated value of such stock.

B. The records shall be kept in such manner as to show the amount of subscriptions to each class and series of stock.

203 Common stock liability for conversion.

206 Preferred stock liability for conversion.

A. These accounts shall include the par value or stated value, as appropriate, of capital stock which the utility has agreed to exchange for outstanding securities of other companies in connection with the acquisition of properties of such companies under terms which allow the holders of the securities of the other companies to surrender such securities and receive in return therefor capital stock of the accounting utility.

B. When the securities of the other companies have been surrendered and capital stock issued in accordance with the terms of the exchange, these accounts shall be charged and accounts 201, Common Stock Issued, or 204, Preferred Stock Issued, as the case may be, shall be credited.

C. The records shall be kept so as to show separately the stocks of each class and series for which a conversion liability exists.

207 Premium on Capital Stock.

A. This account shall include, in a separate subdivision for each class and series of stock, the excess of the actual cash value of the consideration received on original issues of capital stock over the par or stated value and accrued dividends of such stock, together with assessments against stockholders representing payments required in excess of par or stated values.

B. Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expenses of another issue of the same class or series.

C. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be transferred to account 210, Gain on Resale or Cancellation of Reacquired Capital Stock.

208 Donations received from stockholders.

This account shall include the balance of credits for donations received from stockholders consisting of capital stock of the utility, cancellation or reduction of debt of the utility, and the cash value of other assets received as a donation.

209 Reduction in par or stated value of capital stock.

This account shall include the balance of credits arising from a reduction in the par or stated value of capital stock.

210 Gain on resale or cancellation of reacquired capital stock.

This account shall include the balance of credits arising from the resale or cancellation of reacquired capital stock. (See account 217, Reacquired Capital Stock.)

211 Miscellaneous paid-in capital.

This account shall include the balance of all other credits for paid-in capital which are not properly includible in the foregoing accounts.

NOTE: Amounts included in capital surplus at the effective date of this system of accounts which cannot be classified as to the source thereof shall be included in this account.

212 Installments received on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan from subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and the appropriate capital stock account credited with the par or stated value of such stock. Any dis-

count or premium on an original issue shall be included in the appropriate discount or premium account.

213 Discount on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock all discount on the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues.

B. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be written off to account 210, Gain on Resale or Cancellation of Reacquired Capital Stock, provided, however, that the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 210, and provided, further, that in no event shall debits in excess of accumulated credits from the retirement of stock be charged to account 210.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock discount in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

214 Capital stock expense.

A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 210, Gain on Resale or Cancellation of Reacquired Capital Stock, provided, however, that the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 210, and provided, further, that in no event shall debits in excess of accumulated credits from the retirement of stock be charged to account 210.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

NOTE: Expenses in connection with the reacquisition or resale of the utility's capital stock shall not be included herein.

215 Appropriated earned surplus.

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216 Unappropriated earned surplus.

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include items includible in any of the accounts for paid-in capital.

217 Reacquired capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock, the cost of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is retired or canceled, the difference between its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 210, Gain on Resale or Cancellation of Reacquired Capital Stock, Provided, however, That debits shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that they exceed the balance in account 210, And provided, further, That in no event shall debits in excess of accumulated credits from the retirement of stock be charged to account 210.

C. When reacquired capital stock is resold by the utility, the difference between the amount received on the resale of the stock, less expenses incurred in the resale, and the cost of the stock included in this account shall be accounted for as outlined in paragraph B.

NOTE A: See account 124, Other Investments, for permissive accounting treatment of stock reacquired under a definite plan for resale.

NOTE B: The accounting for reacquired stock shall be as prescribed herein unless otherwise specifically required by statute.

6. LONG-TERM DEBT

221 Bonds.

This account shall include in a separate subdivision for each class and series of bonds the face value of the actually issued and unmatured bonds which have not been retired or canceled; also the face value of such bonds issued by others the payment of which has been assumed by the utility.

222 Reacquired bonds.

A. This account shall include the face value of bonds actually issued or assumed by the utility and reacquired by it and not retired, or canceled. The account for reacquired debt shall not include securities which are held by trustee in sinking or other funds.

B. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate. (See, however, account 181, paragraph E, as to refunding operations.)

223 Advances from associated companies.

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement which are includible in account 233, Notes Payable to Associated Companies, or account 234, Accounts Payable to Associated Companies.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

224 Other long-term debt.

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption.

B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

NOTE: Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedure set forth in account 222, Reacquired Bonds.

7. CURRENT AND ACCRUED LIABILITIES

Current and accrued liabilities are those obligations which have either matured 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 as accrued liabilities even though payable more than one year from 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. 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 previously mentioned.

231 Notes payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than associated companies.

232 Accounts payable.

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

233 Notes payable to associated companies.

234 Accounts payable to associated companies.

These accounts shall include amounts owing to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open ac-

counts payable on demand or not more than one year from date of issue or creation.

NOTE: Exclude from these accounts notes and accounts which are includible in account 223, Advances from Associated Companies.

235 Customer deposits.

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236 Taxes accrued.

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

C. Accruals for taxes shall be based upon the net amounts payable after credit for any discounts, and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

237 Interest accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

238 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.

239 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 and bonds called for redemption but not presented.

240 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.

241 Tax collections payable.

This account shall include the amount of taxes collected by the utility through payroll deductions or otherwise pending transmittal of such taxes to the proper taxing authority.

NOTE: Do not include liability for taxes assessed directly against the utility which are accounted for as part of the utility's own tax expense.

242 Miscellaneous current and accrued liabilities.

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

8. DEFERRED CREDITS

251 Unamortized premium on debt.

This account shall include the total of the credit balances in the discount, expense and premium accounts, for all classes of long-term debt, including receivers' certificates. (See account 181, Unamortized Debt Discount and Expense.)

252 Customer advances for construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

253 Other deferred credits.

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

9. OPERATING RESERVES

261 Property insurance reserve.

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. The amounts charged to account 924, Property Insurance, or other appropriate accounts to cover such risks shall be credited to this account. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

262 Injuries and damages reserve.

A. This account shall be credited with amounts charged to account 925, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property neither owned nor held under lease by the utility.

B. When liability for any injury or damage is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

NOTE: 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.

263 Pensions and benefits reserve.

A. This account shall include provisions made by the utility and amounts contributed by employees for pensions, accident and death benefits, savings, relief, hospital and other provident purposes, where the funds represented by the reserve are included in the assets of the utility either in general or in segregated fund accounts.

B. Amounts paid by the utility for the purposes for which this reserve is established shall be charged hereto.

C. A separate account shall be kept for each kind of reserve included herein.

NOTE: If employee pension or benefit plan funds are not included among the assets of the utility but are held by outside trustees, payments into such funds, or accruals therefor, shall not be included in this account.

265 Miscellaneous operating reserves.

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

NOTE: This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits of which should be carried in account 215, Appropriated Earned Surplus.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

A. This account shall include donations or contributions in cash, services, or property from States, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the

purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) States, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.

NOTE. There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. (See account 252, Customer Advances for Construction.)

11. ACCUMULATED DEFERRED TAXES ON INCOME

NOTE A: The test of accounts below are designed primarily to cover deferrals of Federal income taxes arising under provisions of the Internal Revenue Code of 1954 but the accounts are also applicable to deferrals of State taxes on income.

NOTE B: Natural Gas Companies which, in addition to a gas utility department, have another utility department, electric, water, etc., and which have deferred taxes on income with respect thereto shall classify such deferrals in the accounts provided below under subdivisions for each utility department.

281 Accumulated deferred taxes on income—Accelerated amortization.

A. This account shall be credited and account 410, Provision for Deferred Taxes on Income, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of accelerated (5-year) amortization of certified defense facilities in computing such taxes, as permitted by Section 168 of the Internal Revenue Code of 1954 (Section 124A of previous Internal Revenue Code), as compared to the depreciation (deduction) otherwise appropriate and allowable for tax purposes according to the straight line or other nonaccelerated depreciation method and appropriate estimated useful life for such property.

B. This account shall be debited and account 411, Taxes on Income Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior year of accelerated (5-year) amortization of certified defense facilities instead of nonaccelerated depreciation otherwise appropriate for income tax purposes, and deferral of taxes in such prior years as described in paragraph A, above. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable for the current year of the unavailability of a depreciation deduction for tax purposes, or a reduced amount, with respect to any depreciable property for which accelerated amortization was used in prior years, as compared to the depreciation deduction otherwise available and appropriate for such property, considering its estimated useful life, according to the depreciation method ordinarily used by the utility for similar property in computing depreciation for tax purposes by a nonaccelerated or nonliberalized depreciation method.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the facilities of each certification or authorization of accelerated amortization for tax purposes.

D. The use of this account and the accounting described above are not mandatory for any utility which, in accordance with a consistent policy, elects not to follow deferred tax accounting even though accelerated amortization is used in computing taxes on income. If, however, deferred tax accounting is initiated with respect to any certified defense facility, the accounting shall not be suspended or discontinued on the property covered by that certificate, without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in this account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining balance of accumulated deferred taxes with respect to any certified defense facility for which deferred tax accounting has been followed shall, upon expiration of the estimated useful life of the facility on which deferred tax calculations were based, or upon retirement from service of such facility or predominant part thereof, be credited to account 411, Taxes on Income Deferred in Prior Years—Credit, or otherwise be applied as the Commission may authorize or direct.

282 Accumulated deferred taxes on income—Liberalized depreciation.

A. This account shall be credited and account 410, Provision for Deferred Taxes on Income, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of liberalized depreciation in computing such taxes, as permitted by Section 167 of the Internal Revenue Code of 1954, as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes for similar property of the same estimated useful life according to the straight line or other nonliberalized method of depreciation.

B. This account shall be debited and account 411, Taxes on Income Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of liberalized depreciation for income tax purposes, and deferral of taxes in such prior years as described in paragraph A above. Such debit to this account and credit to account 411, shall, in general, represent the effect on taxes payable for the current year of the smaller amount of depreciation permitted for tax purposes for the current year with respect to any depreciable property for which liberalized depreciation was used in prior years, as compared to the depreciation deduction otherwise appropriate and available for similar property of the same estimated useful life according to the straight line or other nonliberalized depreciation method ordinarily used by the utility in computing depreciation for tax purposes.

C. Records with respect to entries to this account, as described above, and account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the plant additions of each vintage year for each class, group, or unit as to which different liberalized depreciation methods and estimated useful lives have been used. The underlying calculations to segregate and associate deferred tax amounts with the respective vintage years may be based on reasonable methods of approximation, if necessary, consistently applied.

D. The use of this account and the accounting described above are not mandatory for any utility, which in accordance with a consistent policy, elects not to follow deferred tax accounting even though liberalized depreciation is used in computing taxes on income. If, however, deferred tax accounting is initiated with respect to any property, such accounting shall not be discontinued on that property without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining deferred tax reserve balance with respect to any year's plant additions or subdivisions thereof for which liberalized depreciation accounting has been followed or, upon retirement from service of such property or predominant portion thereof, or upon expiration of the estimated useful life on which the depreciation calculations for tax purposes are based, shall be credited to account 411, Taxes on Income Deferred in Prior Years—Credit, or otherwise applied as the Commission may authorize or direct.

283 Accumulated deferred taxes on income—Other.

A. This account, when its use has been authorized by the Commission for specific types of tax deferrals, shall be credited and account 410, Provision for Deferred Taxes on Income, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the current use of deductions other than accelerated amortization or liberalized depreciation in the computation of income taxes, which deductions for general accounting purposes will not be fully reflected in the utility's determination of annual net income until subsequent years.

B. This account when its use has been authorized by the Commission, shall be debited and account 411, Taxes on Income Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of deferral of taxes on income in previous years, as provided by paragraph A, above, because of difference in timing for tax purposes of particular income deductions from that recognized by the utility for general accounting purposes, other than with respect to accelerated amortization or liberalized depreciation. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable in the current year of

the smaller deduction permitted for tax purposes as compared to the amount recognized in the utility's general accounts with respect to the item or class of items for which deferred tax accounting by the utility was authorized by the Commission.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation with respect to each annual amount of the item or class of items, other than accelerated amortization or liberalized depreciation, for which tax deferral accounting by the utility is authorized by the Commission.

D. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the accounts or any portion thereof to surplus or make any use thereof except as provided in the text of this account, without prior approval of the Commission. Any remaining deferred tax account balance with respect to an amount for any prior year's tax deferral, the amortization of which or other recognition in the utility's income accounts has been completed, or other disposition made, shall be credited to account 411, Taxes on Income Deferred in Prior Years—Credit, or otherwise disposed of as the Commission may authorize or direct.

NOTE: In determining appropriate use of this account as a basis of request to the Commission for authorization of its use, consideration shall be given to the relative importance of the amount involved, and to other items in the utility's accounts where "prepaid tax accounting" may be appropriate, such as situations (a) where the time of taking a deduction in computing taxes on income is such that the tax deduction must be delayed or applied to a series of future years as opposed to earlier recognition of such item in determination of income in the general accounts of the utility, or (b) where inclusion of an income item is required for tax purposes but is to be recognized in whole or in part in the utility's income accounts of a subsequent year or years.

Gas Plant Accounts

1. INTANGIBLE PLANT

301 Organization.
302 Franchises and consents.
303 Miscellaneous intangible plant.

2. PRODUCTION PLANT

A. MANUFACTURED GAS PRODUCTION PLANT

304 Land and land rights.
305 Structures and improvements.
306 Boiler plant equipment.
307 Other power equipment.
308 Coke ovens.
309 Producer gas equipment.
310 Water gas generating equipment.
311 Liquefied petroleum gas equipment.
312 Oil gas generating equipment.
313 Generating equipment—Other processes.
314 Coal, coke, and ash handling equipment.
315 Catalytic cracking equipment.
316 Other reforming equipment.
317 Purification equipment.
318 Residual refining equipment.
319 Gas mixing equipment.
320 Other equipment.

B. NATURAL GAS PRODUCTION PLANT

B. 1. Natural Gas Production and Gathering Plant

325.1 Producing lands.
325.2 Producing leaseholds.
325.3 Gas rights.
325.4 Rights-of-way.
325.5 Other land and land rights.
326 Gas well structures.
327 Field compressor station structures.
328 Field measuring and regulating station structures.
329 Other structures.
330 Producing gas wells—Well construction.
331 Producing gas wells—Well equipment.
332 Field lines.
333 Field compressor station equipment.
334 Field measuring and regulating station equipment.
335 Drilling and cleaning equipment.
336 Purification equipment.
337 Other equipment.

B 2. Products Extraction Plant

340 Land and land rights.
341 Structures and improvements.
342 Extraction and refining equipment.
343 Pipe lines.
344 Extracted products storage equipment.
345 Compressor equipment.
346 Gas measuring and regulating equipment.
347 Other equipment.

3. STORAGE PLANT

A. UNDERGROUND STORAGE PLANT

350.1 Land.
350.2 Leaseholds.
350.3 Storage rights.
350.4 Rights-of-way.
350.5 Gas rights.
351 Structures and improvements.
352 Wells.
353 Lines.
354 Compressor station equipment.
355 Measuring and regulating equipment.
356 Purification equipment.
357 Other equipment.

B. LOCAL STORAGE PLANT

360 Land and land rights.
361 Structures and improvements.
362 Gas holders.
363 Other equipment.

4. TRANSMISSION PLANT

365.1 Land and land rights.
365.2 Rights-of-way.
366 Structures and improvements.
367 Mains.
368 Compressor station equipment.
369 Measuring and regulating station equipment.
370 Communication equipment.
371 Other equipment.

5. DISTRIBUTION PLANT

374 Land and land rights.
375 Structures and improvements.
376 Mains.
377 Compressor station equipment.
378 Measuring and regulating station equipment—General.
379 Measuring and regulating station equipment—City gate check stations.
380 Services.
381 Meters.
382 Meter installations.
383 House regulators.
384 House regulator installations.
385 Industrial measuring and regulating station equipment.
386 Other property on customers' premises.
387 Other equipment.

6. GENERAL PLANT

389 Land and land rights.
390 Structures and improvements.
391 Office furniture and equipment.
392 Transportation equipment.
393 Stores equipment.
394 Tools, shop and garage equipment.
395 Laboratory equipment.
396 Power operated equipment.
397 Communication equipment.
398 Miscellaneous equipment.
399 Other tangible property.

Gas Plant Accounts

1. INTANGIBLE PLANT

301 Organization.

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

ITEMS

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

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance, or sale of capital stock.

NOTE B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included herein or in similar accounts in the books of the companies concerned shall be excluded from this account.

302 Franchises and consents.

A. This account shall include amounts paid to the Federal Government, to a State or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than 1 year, together with necessary and reasonable expenses incident to procuring such franchises, consents, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises.

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, or by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 435, Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or to account 111.3, Accumulated Provision for Amortization of Other Gas Plant in Service, as appropriate.

D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

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

303 Miscellaneous intangible plant.

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of the utility's gas operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 111.3, Accumulated Provision for Amortization of Other Gas Plant in Service, as appropriate.

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

2. PRODUCTION PLANT

A. MANUFACTURED GAS PRODUCTION PLANT

304 Land and land rights.

This account shall include the cost of land and land rights used in connection with manufactured gas production. (See gas plant instruction 7.)

305 Structures and improvements.

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

NOTE: Include relief holders in this account.

306 Boiler plant equipment.

This account shall include the cost installed of furnaces, boilers, steam and feed water piping, boiler apparatus, and accessories used in the production of steam at gas production plants.

ITEMS

1. Accumulators.
2. Air preheaters, including fans and drives, and ducts not part of building.
3. Ash disposal equipment, including sluiceways not part of a building, pumps and piping, crane, ash bucket conveyor and drives, ash cars, etc.
4. Belt conveyors, including drives.
5. Blast gate valves.
6. Blow-down tanks and piping.
7. Boilers, including valves attached thereto, casings, safety valves, soot blowers, soot hoppers, superheaters, and feed water regulators.
8. Cinder and dust catcher system, including mechanical and electric types.
9. Coal and coke handling equipment, including hoppers, lorries, etc., used wholly for boilers.
10. Combustion control system, including all apparatus installed for the regulation and control of the supply of fuel or air to boilers.
11. Control apparatus.
12. Cranes, hoists, etc., wholly identified with apparatus listed herein.
13. Desuperheaters and reducing valves.
14. Draft apparatus, including forced, induced, and other draft systems, with blowers, fans, and ducts not part of building.
15. Economizers.
16. Emergency lighting systems, not part of building, keep-a-lite systems, etc.
17. Emergency signal systems, in connection with boiler operation.
18. Feed water heaters, including primary and stage.
19. Flues, uptakes, and breeching, whether or not stacks are included in this account.
20. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
21. Furnaces.
22. Gas firing system, including gas lines, burners, etc., for gas fired boilers.
23. Injectors.
24. Mechanical stoker and feeding systems, clinker grinders, including drives.
25. Meters, gauges, recording instruments, etc.
26. Oil burning equipment, including tanks, heaters, pumps with drives, burner equipment, piping, and conditioning apparatus.
27. Painting, first cost.
28. Panels, control (for operating apparatus listed herein).
29. Piping system, steam header and exhaust header, including accessory pipe hangers, steam traps, etc., make-up water, feed water, drip, blow-off, water pipe lines used for steam plant, and valve control system.
30. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
31. Pulverizing equipment.
32. Pumps and driving units, for feed water, heater condensate, condenser water, and drip.
33. Stacks—brick, steel, and concrete, when set on separate foundations independent of substructure or superstructure of building.
34. Steam reheaters.
35. Steelwork, especially constructed for apparatus listed herein.
36. Tanks, including surge, weighing, return, blow-off, feed water storage.
37. Tar burning equipment for utilization of tar as boiler fuel, including tanks, pumps, burner equipment, piping, etc.
38. Waste heat boilers and accessories—stack valve and stack irrespective of location.
39. Water treatment system, including purifiers, settling tanks, filters, chemical mixing and dosing apparatus, etc.

NOTE A: This account shall not include boilers or steam pipes whose primary purpose is the heating of buildings.

NOTE B: When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, or pipe line, the cost shall not be charged to this account but to a special subdivision of account 305, Structures and Improvements—Manufactured Gas.

307 Other power equipment.

A. This account shall include the cost installed of electric generating and accessory equipment used for supplying electricity in gas production plants.

B. This account shall also include the cost installed of miscellaneous power equipment at gas production plants which is not included in any other account.

ITEMS

1. Acid proofing of battery rooms.
2. Air duct runs in battery rooms.
3. Air pump, streamjet.
4. Batteries for control and general station use.
5. Belts, pulleys, hangers, shafts, and countershafts.
6. Cables between generators and switchboards.
7. Cabinets, control.
8. Compartments, including buses, connections, and items permanently attached.
9. Enclosure equipment not an integral part of building.
10. Engines, including steam rotary or reciprocating, steam turbines, and internal combustion engines.
11. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
12. Generators, a.c. or d.c., including excitation system.
13. Ground connections, for main station ground.
14. Lightning arresters.
15. Motor generators, frequency changers and converters.
16. Overhead power lines, including poles, crossarms, insulators, conductors, etc.
17. Panels, control, including supports and instruments.
18. Piping applicable to apparatus listed herein.
19. Reactors.
20. Rectifiers.
21. Safety equipment, including rubber mats, remote closing devices, glove cabinets.
22. Switchboards, including frames, panels, meters, and instruments.
23. Switching equipment, including oil circuit breakers, disconnecting switches, and connections.
24. Synchronous converters.
25. Transformers, including transformer platforms.
26. Underground conduit system, including manholes and conductors.

NOTE: When any unit of equipment listed herein is wholly used to furnish power to equipment included in another single account, its cost shall be included in such account.

308 Coke ovens.

This account shall include the cost installed of coke ovens used for the production of gas.

ITEMS

1. Apparatus for placing coal in ovens.
2. Bins, if not part of a building.
3. Cabinets, control.
4. Calorimeters.
5. Cars, quenching.
6. Charging lorry.
7. Clay mixers.
8. Coke guide.
9. Coke and pusher benches.
10. Collecting mains.
11. Control apparatus.
12. Conveyor, flight.
13. Cover lifting machinery.
14. Door handling machine.
15. Door luting machine.
16. Driving units for coke oven machinery.
17. Enclosures for machinery.
18. Engines, when not an integral part of the driven equipment.
19. Firing equipment.
20. Flues, uptakes, and breeching.
21. Foundations.
22. Fuel handling equipment used exclusively for coal to be carbonized in ovens.
23. Fuel systems under ovens.
24. Hot coke wharves.
25. Hot coke cars.
26. Instruments or meters, electrical.
27. Locomotives.
28. Mud mill.
29. Motor control equipment.
30. Ovens.
31. Panel, control.
32. Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic main.

33. Pushers, including tracks and driving equipment.
34. Quenching station including structure, tank, well, piping, etc.
35. Quenching towers, piping, etc.
36. Regenerator, from bottom of oven floor tile to battery foundation.
37. Reversing machine, with enclosure.
38. Scale, platform.
39. Signal system.
40. Skip hoist.
41. Stacks.
42. Steel and iron work supports, platforms, stairways, etc.
43. Switches and switchboards.

309 Producer gas equipment.

This account shall include the cost installed of equipment used for the production of producer gas.

ITEMS

1. Ash handling equipment, used exclusively for producers.
2. Blast apparatus, including blowers, driving units, and blast mains.
3. Control apparatus.
4. Coolers and scrubbers.
5. Driving apparatus for producers.
6. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
7. Fuel handling equipment, used exclusively for producers.
8. Humidifiers.
9. Piping—air, steam (commencing at steam header), water (inside of building), and producer gas (up to outlet of final piece of apparatus in building).
10. Producer boosters, including driving units.
11. Producers.
12. Water separators.

310 Water gas generating equipment.

This account shall include the cost installed of equipment used in the generation of water gas.

ITEMS

1. Automatic operation equipment.
2. Back-run installations.
3. Blast equipment, including blowers and driving units, piping and supports.
4. Bridge, coal shed to generator house.
5. Carburetors.
6. Charging equipment, fuel.
7. Circulating water pumps.
8. Concrete or brick pits, including cover, not part of building.
9. Control apparatus.
10. Conveyors.
11. Dust collectors.
12. Enclosures for equipment (barriers, fire walls, guards, housings, screens, etc.).
13. Flow meters.
14. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
15. Fuel handling equipment used exclusively for fuel for this account.
16. Gauges, indicating and recording.
17. Generators.
18. Hot valves.
19. Hydraulic operation equipment.
20. Instruments and meters, electrical.
21. Oil handling and storage apparatus used solely for water gas apparatus (tanks, pumps and oil lines, oil heaters, manholes, valve pits, regulators, strainers, etc.).
22. Oil spray.
23. Operating floors and supports, stairways, etc.
24. Piling under foundations.
25. Piping and valves—steam (commencing at steam header), tar (to decanter), water (inside of building), and gas (up to outlet of final pieces of apparatus in building).
26. Pressure regulators.
27. Scales, when used in connection with items in this account.
28. Seal pots.
29. Superheaters and superheater stacks.
30. Tanks, hydraulic pressure.
31. Valve operating mechanisms.
32. Wash boxes.

311 Liquefied petroleum gas equipment.

A. This account shall include the cost installed of equipment used for the production of gas from petroleum derivatives, such as propane, butane, or gasoline.

B. Subdivisions of this account shall be maintained for each producing process for which this account is provided. A separate subaccount shall be maintained also for bottling equipment included herein.

ITEMS

1. Blowers.
2. Boilers.
3. Calorimixer.
4. Carbureting equipment.
5. Compression equipment.
6. Controller.
7. Control apparatus.
8. Enclosures and protective fences.
9. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
10. Heat exchanger.
11. Gauges and instruments.
12. Mixing or proportioning equipment.
13. Motors, not an integral part of driven equipment.
14. Odorizing equipment.
15. Oil separator.
16. Piping—steam (commencing at steam header), water (inside of building), oil (from supply tank), and gas (up to outlet of final piece of apparatus in building).
17. Pits.
18. Prime movers.
19. Pumps, including driving units.
20. Regulator.
21. Stairs, platforms, and ladders.
22. Storage equipment, tanks, etc.
23. Superheater.
24. Traps.
25. Valves—regulating and check.
26. Vaporizing equipment.

312 Oil gas generating equipment.

This account shall include the cost installed of equipment used for generating oil gas.

ITEMS

1. Air blast equipment, including blowers and driving units, piping and supports.
2. Air inlet louvres and filters.
3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
4. Generating equipment, including automatic cycle controls, generators, operating floor, superheaters and wash boxes.
5. Instruments and instrument boards, complete with signal lights and thermocouples and including gauge board, pressure gauges, and pyrometers.
6. Meters and regulators, such as, air flow meter, generator oil meter, steam flow meter, and steam regulator.
7. Piping and valves, air, steam (commencing at steam header), water (inside building), and oil gas (up to outlet of final piece of apparatus in building).
8. Pumps, hydraulic and oil.
9. Tanks, hydraulic accumulator, hydraulic return, oil and steam accumulator.

313 Generating equipment — Other processes.

This account shall include, with subdivisions for each type of gas produced, the cost installed of generating equipment which is not included in any of the foregoing accounts, such as benches and retorts for the production of coal gas, equipment used for generating acetylene gas, etc.

ITEMS

As to coal gas production equipment:
1. Benches.
2. Charging and drawing machines.
3. Control apparatus.
4. Equipment for steaming retorts.
5. Flues, uptakes and breeching, whether or not stacks are included in this account.
6. Foundations.
7. Fuel handling equipment used exclusively for retorts, including weight lorries, tracks, etc., and grinders, breakers, and screens located in retort house.
8. Fuel system under retorts, including built-in producers.
9. Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic main.
10. Primary atmospheric condensers.
11. Retorts.
12. Stacks—brick, steel, and concrete when set on separate foundations independent of substructure or superstructure of buildings, including lightning arresters.

314 Coal, coke, and ash handling equipment.

This account shall include the cost installed of structures or equipment used for the transportation, storage, washing, and treatment of coal, coke, and ashes, when used for general gas plant operations.

ITEMS

1. Bins—mixing, refuse, storage, etc.
2. Boom operating mechanism.
3. Breaker equipment.
4. Bridges, bridge track, and machinery.
5. Bucket conveyors and supports.
6. Capstan.
7. Cars.
8. Chutes.
9. Circuit breakers.
10. Coal loaders.
11. Coal preparation machinery, including washing and drying equipment.
12. Conduit, electrical.
13. Conveyors and supports.
14. Crane, caterpillar.
15. Driving apparatus for equipment listed herein.
16. Elevators.
17. Enclosure equipment.
18. Engines, not an integral part of driven equipment.
19. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
20. Gravity swing unloader.
21. Hoppers.
22. Instruments or meters, electrical.
23. Ladders, fixed.
24. Loading towers and equipment.
25. Locomotives.
26. Motor generators used only for equipment in this account.
27. Panel, control.
28. Pitts.
29. Pulverizing equipment.
30. Railroad sidings and yard tracks.
31. Sampling equipment.
32. Scales.
33. Screens.
34. Sheds and fencing.
35. Shuttle boom.
36. Signal system equipment.
37. Silo.
38. Skip hoist.
39. Stairs, railings, etc.
40. Transfer cars and trucks.
41. Trestles.
42. Turntable.
43. Unloaders.
44. Weighometer.

315 Catalytic cracking equipment.

This account shall include the cost installed of equipment used for producing gas by the catalytic cracking process.

ITEMS

1. Caloric meters.
2. Catalytic furnace, including catalyst and foundation.
3. Combustion air blowers.
4. Compressors, air.
5. Control equipment.
6. Cooling coils, including foundations.
7. Cooling towers, including foundations.
8. Enclosures.
9. Fractionalizing units.
10. Piping and valves.
11. Preheaters.
12. Pressure regulators.
13. Proportioning controls.
14. Tanks.
15. Vaporizers.

316 Other reforming equipment.

This account shall include the cost installed of equipment, other than catalytic cracking equipment, used primarily for reforming gas with resultant changes in its chemical composition and calorific value.

ITEMS

1. Blast equipment, including blowers and driving units, piping, and supports.
2. Control apparatus.
3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
4. Fuel and ash handling equipment, used wholly in reforming gas.
5. Oil gas apparatus, used for reforming gas.
6. Piping—steam (commencing at steam header), water (inside of building), and gas (up to outlet of final piece of apparatus in building).
7. Pumps and driving units.
8. Purifiers for gas to be reformed.
9. Regulators.
10. Water gas generators, used primarily for reforming gas.

317 Purification equipment.

This account shall include the cost installed of apparatus used for the removal of impurities from gas and apparatus for conditioning gas, including pumps, wells, and other accessory apparatus.

ITEMS

1. Blowers for revivifying.
2. Blowers for activators.
3. Condensers and washer coolers.
4. Control apparatus—conduit, cable, cabinets, switchboards, etc.
5. Crane or cover lifting equipment, not part of the structure.
6. Dehydrators.
7. Engines, not an integral part of driven equipment.
8. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
9. Instruments and meters, electric.
10. Lubricators.
11. Napthalene and light oil scrubbers.
12. Other accessory equipment such as coolers, spray ponds, pumps, platforms, railings, stairs.
13. Oxide elevators and pits, platforms, tables, and trenches.
14. Piping—air, steam, water, gas, condensate, liquor, tar, etc., from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
15. Precipitators.
16. Purifiers—iron oxide or liquid, including first filling.
17. Recording gauges and thermometers.
18. Revivifying air ducts.
19. Saturator with auxiliary equipment.
20. Scrubbers.
21. Seal and drip pots.
22. Signal system identified with equipment herein.
23. Sulphur removal apparatus.
24. Tar extractors and Cottrell precipitators.
25. Tar pumps and tanks.
26. Track runs for cranes and hoists.
27. Wash boxes.
28. Water meters, for cooling water.

318 Residual refining equipment.

This account shall include the cost installed of apparatus used in refining and handling of residuals except where the apparatus is necessary for the operation of property included in account 317, Purification Equipment.

ITEMS

1. Ammonia stills, condensers, saturators, etc.
2. Apparatus for removal of residuals from purifier liquids.
3. Coke filter.
4. Coke handling and storage facilities, used solely for coke held for sale.
5. Condensers.
6. Control apparatus.
7. Coolers.
8. Decanters.
9. Foundations specially constructed for and not intended to outlast the apparatus for which provided.
10. Gauges.
11. Heating equipment for apparatus included in this account.
12. Instruments.
13. Light oil stills, washers, etc.
14. Piping and pumps.
15. Platforms, stairs, and ladders.
16. Separators.
17. Storage tanks.
18. Supports.
19. Tar dehydrators, stills, etc.

319 Gas mixing equipment.

This account shall include the cost installed of equipment used for mixing manufactured and natural gas, or the mixing of other gases incident to delivery of such mixed gases to the distribution system.

ITEMS

1. Alcohol units.
2. Automatic mixing controls.
3. Btu adjustor.
4. Calorimeter.
5. Calorimixer.
6. Compressor.
7. Gas heater.
8. Gas scrubber (air filter, dust cleaner).
9. Gauges and instruments.
10. Meters.
11. Mixing chambers.
12. Odorizing equipment.
13. Oil pump units.
14. Panel and control equipment.
15. Piping and valves.
16. Regulators, pressure and ratio.
17. Safety alarm equipment.

320 Other equipment.

This account shall include the cost installed of equipment used in the production of gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Cabinet, control.
2. Compressed air system.
3. Fire hose carts.
4. First aid room equipment.
5. Foamite system.
6. Foundations and settings specially constructed for and not intended to outlast the apparatus for which provided.
7. Gasoline pumps.
8. Hand pumps.
9. Machine shop equipment, such as lathes, pipe cutting and threading machines, vise grinders, power saw, shop motors, shafting and belting, drill press, shapers, milling machines, planes, etc.
10. Odorizing equipment.
11. Office furniture and equipment.
12. Oil foggers.
13. Panel, control.
14. Piping—yard, when not includible in other accounts.
15. Pits.
16. Platforms.
17. Portable scaffolds, ladders, etc.
18. Power shovels.
19. Production laboratory equipment.
20. Scales, not associated with other equipment.
21. Special signal equipment.
22. Tractors for general plant use.
23. Works exhauster including driving unit and governor.
24. Works station meters, including gauges, piping and accessories.

B. NATURAL GAS PRODUCTION PLANT

B. 1. Natural Gas Production and Gathering Plant

325.1 Producing lands.

This account shall include the cost of lands held in fee on which producing natural gas wells are located, and lands held in fee which are being drained of natural gas through the operation by the utility of wells on other land. (See Gas plant instruction 7–G.)

325.2 Producing leaseholds.

A. This account shall include the cost of acquiring leaseholds on which the utility pays royalties for natural gas obtained therefrom. (See gas plant instruction 7–G.)

B. Exclude from this account rents paid periodically for rights obtained under leases. Exclude also from this account the cost of leaseholds which terminate in one year or less after they become effective.

325.3 Gas rights.

This account shall include the cost of natural gas rights used in producing natural gas, whereby the utility obtains ownership in gas underlying land not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to account 325.2, Producing Leaseholds.

325.4 Rights-of-way.

This account shall include the cost of all interests in land which terminate more than one year after they become effective and on which are located gathering pipe lines, telephone pole lines, and like property used in connection with the production of natural gas.

325.5 Other land and land rights.

This account shall include the cost of land and land rights used in connection with the production of natural gas, when not properly assignable to any of the foregoing accounts.

326 Gas well structures.

This account shall include the cost of well structures and improvements used in connection with the housing of permanent bailers and other equipment necessary to keep the wells in operation. (See gas plant instruction 8.)

327 Field compressor station structures.

This account shall include the cost of structures and improvements used in connection with the housing of compressor station equipment used to raise the pressure of natural gas before it is conveyed to the terminus of the field lines. (See gas plant instruction 8.)

328 Field measuring and regulating station structures.

This account shall include the cost of structures and improvements used in connection with the housing of meters, regulators, and appurtenant appliances for measuring and regulating natural gas before the point where it enters the transmission or distribution system. (See Gas plant instruction 8.)

329 Other structures.

This account shall include the cost of structures and improvements used in connection with natural gas production and gathering not provided for elsewhere. (See Gas plant instruction 8.)

330 Producing gas wells—Well construction.

This account shall include the cost of drilling producing gas wells.

ITEMS

1. Clearing well site.
2. Hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs, and other equipment and tools used in drilling.
3. Drilling contractors' charges.
4. Drive pipe.
5. Fuel or power.
6. Labor.
7. Rent of drilling equipment.
8. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase.
9. Hauling well equipment.
10. Shooting, fracturing, acidizing.

331 Producing gas wells—Well equipment.

This account shall include the cost of equipment in producing gas wells.

ITEMS

1. Bailing equipment.
2. Boilers and drives permanently connected.
3. Casing.
4. Derrick.
5. Fence, when solely an enclosure for equipment.
6. Fittings, including shut-in valves, bradenheads and casing heads.
7. Packing.
8. Tank, oil or water, etc.
9. Tubing.

332 Field lines.

This account shall include the cost installed of field lines used in conveying natural gas from the wells to the point where it enters the transmission or distribution system.

ITEMS

1. Gathering lines, including pipe, valves, fittings, and supports.
2. Cathodic protection equipment.
3. Creek crossings, suspension bridges and other special construction.
4. Line drips and separators.

333 Field compressor station equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used to raise the pressure of natural gas before it is conveyed to the terminus of the field lines.

ITEMS

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

334 Field measuring and regulating station equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring and regulating natural gas collected in field lines before the point where it enters the transmission or distribution system.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

335 Drilling and cleaning equipment.

This account shall include the cost of implements and equipment used in drilling and cleaning natural gas wells.

ITEMS

1. Bailers.
2. Bits and other drilling tools.
3. Boilers.
4. Derricks.
5. Drilling cables.
6. Drilling machines.
7. Engines.
8. Motors.
9. Pulling machines.
10. Pumps.
11. Rigs.
12. Tanks.

336 Purification equipment.

This account shall include the cost installed of apparatus used for the removal of impurities from gas and apparatus for conditioning gas.

ITEMS

1. Condensers and washer coolers.
2. Dehydrators.
3. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
4. Other accessory equipment, such as coolers, spray ponds, pumps, platforms, railings, stairs.
5. Piping, from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
6. Scrubbers.
7. Sulphur removal apparatus.
8. Water supply system.

NOTE: In general this account shall include all dehydrators located in or adjacent to production areas which are used to remove water and other stray liquids from gas produced by the utility or purchased in or adjacent to production areas. In some instances such dehydrators may be located some distance from the production sources of the gas. Where, however, the utility has no production and gathering facilities with respect to any of the gas passing through the dehydrators, such as at the purchase point at the head of a transmission pipe line company, the dehydrators may be included in account 368, Compressor Station Equipment, or account 367, Mains, whichever is the most practicable and reasonable under the circumstances. Dehydrators which are an adjunct to products extraction operations shall be included in account 342, Extraction and Refining Equipment. Dehydrators used in connection with underground gas storage operations shall be included in account 356, Purification Equipment.

337 Other equipment.

This account shall include the cost installed of equipment used in the production and gathering of natural gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Calorimeter.
2. Control installation.
3. Crane.
4. Laboratory equipment.
5. Odorizing unit.
6. Office furniture and equipment.
7. Oil fogger.

B 2. Products Extraction Plant

340 Land and land rights.

This account shall include the cost of land and land rights used in connection with the processing of natural gas for removal of gasoline, butane, propane, or other salable products. (See gas plant instruction 7.)

341 Structures and improvements.

This account shall include the cost of structures and improvements used in connection with the processing of natural gas for removal of gasoline,

butane, propane, or other salable products. (See gas plant instruction 8.)

342 Extraction and refining equipment.

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

ITEMS

1. Boiler plant equipment, including boiler, boiler setting, heat exchangers, etc.
2. Compressed air system, including air compressor, air storage tank, etc.
3. Cooling equipment such as coolers, cooling tower and accessories for gas, extracted products, etc.
4. Cranes, trolleys, and hoists.
5. Electrical system, including generator and driving unit, power lines, transformers, switchboard, yard lighting system, etc.
6. Extraction and refining equipment, such as absorbers, reabsorbers, stills, dephlegmators, fractionating towers, stabilizing columns, control apparatus.
7. Foundations and structural supports for equipment items not intended to outlast the equipment for which provided.
8. Fuel regulating and measuring equipment.
9. Gasoline blending equipment including dye pot, educator pumps, lead storage tanks, weighing device, etc.
10. Gauges and instruments.
11. Loading racks and associated other equipment.
12. Lubricating oil system.
13. Pumps of various types, such as boiler feed water pumps, loading and transfer pumps, drip still pumps, oil pumps, skimmer basin pumps, etc.
14. Tanks of various types such as accumulator and dewatering tanks, separator tanks, gasoline feed tanks, compressed air tanks, oil surge tanks, etc., except tanks classifiable as storage equipment, account 344.
15. Water supply system including water well, water tank and supports, water softener or purification apparatus, traveling water screen and drive.
16. Yard piping, gas, water, steam, compressed air, fuel, vapor, extracted products, including headers, valves, etc., but not including off-site lines includible in account 343, Pipe Lines.

343 Pipe lines.

This account shall include the cost installed of gas and liquids pipe lines used in connection with the processing of natural gas for the removal of gasoline, butane, propane, or other salable products, exclusive of runs of pipe appropriately includible in other equipment accounts, embracing principally off-site gas, gasoline gathering, and loading lines not includible as yard piping in account 342, Extraction and Refining Equipment.

ITEMS

1. Gas lines, off-site, relating solely to extraction operations.
2. Gasoline gathering lines connecting with off-site sources.
3. Gathering line drips.
4. Instruments, indicating and recording.
5. Loading lines connecting with remote off-site loading racks or storage facilities.
6. Pumps and driving units.

344 Extracted products storage equipment.

This account shall include the cost installed of storage tanks and associated equipment used in the storing, prior to sale, of gasoline, butane, propane, and other salable products extracted from natural gas.

ITEMS

1. Foundations.
2. Instruments.
3. Regulators.
4. Storage tanks for partially or fully processed products.
5. Valves.

345 Compressor equipment.

This account shall include the cost installed of compressor equipment and associated appliances used in connection with the receipt, processing, and return of natural gas processed for removal of gasoline, butane, propane, or other salable products.

ITEMS

(See account 333.)

346 Gas measuring and regulating equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring or regulating natural gas received and/or returned from processing for removal of gasoline, butane, propane, or other salable products.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

347 Other equipment.

This account shall include the cost installed of equipment used in processing natural gas and refining gasoline, butane, propane, and other salable products extracted from natural gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Fire fighting equipment.
2. Laboratory and testing equipment.
3. Miscellaneous equipment, such as first-aid cabinet, gasoline dispensing pump, heating boiler, incinerator, lawn mower, warehouse truck.
4. Office furniture and equipment.
5. Shop tools and equipment.

3. STORAGE PLANT

A. UNDERGROUND STORAGE PLANT

350.1 Land.

This account shall include the cost of lands held in fee on which underground storage wells are located, and other lands held in fee within an area utilized for the underground storage of gas. (See Gas plant instruction 7-G.)

350.2 Leaseholds.

A. This account shall include the cost of acquiring leaseholds on lands within an area of underground gas storage operations. (See Gas plant instruction 7-G.)

B. Exclude from this account rents paid periodically for rights obtained under leases.

350.3 Storage rights.

A. This account shall include the cost of rights obtained from others for use of lands for the underground storage of gas.

B. Exclude from this account rents or other charges paid periodically for use of lands for underground gas storage purposes.

350.4 Rights-of-way.

This account shall include the cost of all interests in land which do not terminate until more than one year after they become effective and on which are located underground storage lines, telephone pole lines, and like property used in connection with underground gas storage operations.

350.5 Gas rights.

This account shall include the cost of natural gas rights whereby the utility obtains ownership in gas underlying land within an underground gas storage area but not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to account 350.2, Leaseholds.

351 Structures and improvements.

A. This account shall include the cost in place of structures and improvements used wholly or predominantly in connection with underground storage of natural gas. (See Gas plant instruction 8.)

B. This account shall be subdivided as follows:

351.1 Well structures.
351.2 Compressor station structures.
351.3 Measuring and regulating station structures.
351.4 Other structures.

352 Wells.

This account shall include the drilling cost of wells used for injection and withdrawal of gas from underground storage projects, including wells kept open and used for observation.

ITEMS

Drilling:

1. Clearing well site.
2. Hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs, and other equipment and tools used in drilling.
3. Drilling contractors' charges.
4. Drive pipe.
5. Fuel or power.
6. Labor.
7. Rent of drilling equipment.
8. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase.
9. Hauling well equipment.
10. Shooting, fractoring, acidizing.

Equipment:

11. Bailing equipment.
12. Boilers and drives permanently connected.
13. Casing.
14. Derrick.
15. Fence, when solely an enclosure for equipment.
16. Fittings, including shut-in valves, bradenheads and casing heads.
17. Packing.
18. Tank, oil or water, etc.
19. Tubing.

353 Lines.

This account shall include the cost installed of gas pipe lines used wholly or predominantly for conveying gas from point of connection with transmission or field lines to underground storage wells and from underground storage wells to the point where the gas enters the transmission or distribution system.

ITEMS

1. Cathodic protection equipment.
2. Creek crossings, suspension bridges and other special construction.
3. Lines, including pipe, valves, fittings, and supports.
4. Line drips and separators.

354 Compressor station equipment.

This account shall include the cost installed of compressor station equipment used wholly or predominantly for the purpose of raising the pressure of gas for delivery to underground storage or to raise the pressure of gas withdrawn from underground storage for delivery to the transmission or distribution system.

ITEMS

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

355 Measuring and regulating equipment.

This account shall include the cost installed of equipment used wholly or predominantly for the purpose of measuring and regulating deliveries of gas to underground storage and withdrawals of gas from underground storage.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

356 Purification equipment.

This account shall include the cost installed of apparatus used wholly or predominantly for the removal of impurities from and the conditioning of, gas delivered to or removed from underground storage fields.

ITEMS

1. Condensers and washer coolers.
2. Dehydrators.
3. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
4. Other accessory equipment, such as coolers, spray ponds, pumps, platforms, railings, stairs.
5. Piping, from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
6. Scrubbers.
7. Sulphur removal apparatus.
8. Water supply system.

357 Other equipment.

This account shall include the cost installed of equipment used wholly or predominantly in connection with underground storage of gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Calorimeter.
2. Control installation.
3. Crane.
4. Odorizing unit.
5. Office furniture and equipment.
6. Oil fogger.

B. LOCAL STORAGE PLANT

360 Land and land rights.

This account shall include the cost of land and land rights used in connection with local storage of gas in holders within or adjacent to distribution areas. (See Gas plant instruction 7.)

361 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with local storage of gas within or adjacent to distribution areas (See gas plant instruction 8.)

362 Gas holders.

This account shall include the cost installed of holders and associated appliances used in the storage of gas above ground, or in underground receptables installed for local storage purposes.

ITEMS

1. Alarm systems.
2. Buried piping, tanks or other underground construction for gas storage.
3. Flood and fire control equipment.
4. Foundations.
5. Holder pistons.
6. Holders-waterless, including elevators, tar apparatus, and inlet and outlet connections.
7. Holders-waterseal, including oil skimmer, heating equipment, drips, and inlet and outlet connections.
8. Hortonspheres and high pressure tanks, including inlet and outlet connections, access equipment, etc.
9. Lighting.
10. Pumps.
11. Ventilating equipment.
12. Walkways.

NOTE A: If the utility stores gas by the liquefaction process the holders for such liquids, whether above or below ground, shall be included in a separate subaccount hereunder.

NOTE B: Relief holders used in connection with manufactured gas operations shall be included in account 305, Structures and Improvements.

363 Other equipment.

This account shall include the cost installed of other equipment used in connection with the storage of gas within or adjacent to distribution areas.

ITEMS

1. Complete inlet and outlet connections.
2. Compressor.
3. Foundation.
4. Gauges and instruments.
5. Regulating apparatus.

4. TRANSMISSION PLANT

365.1 Land and land rights.

This account shall include the cost of land and land rights except rights-of-way used in connection with transmission operations. (See Gas plant instruction 7.)

365.2 Rights-of-way.

This account shall include the cost of rights-of-way used in connection with transmission operations. (See Gas plant instruction 7.)

366 Structures and improvements.

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

B. This account shall be subdivided as follows:

366.1 *Compressor Station Structures.*
366.2 *Measuring and Regulating Station Structures.*
366.3 *Other Structures.*

367 Mains.

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

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

ITEMS

1. Anti-freeze lubricating equipment.
2. Automatic valve operating mechanisms, including pressure tanks, etc.
3. By-pass assembly.
4. Caissons, tunnels, trestles, etc., for submarine mains.
5. Cathodic protection equipment.
6. Drip lines and pots.
7. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
8. Foundations.
9. Gas cleaners, scrubbers, etc. when not part of compressor station or measuring and regulating equipment.
10. Leak clamps. (See Gas plant instruction 10–C (1).)
11. Linewalkers' bridges.
12. Manholes.
13. Municipal inspection.
14. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
15. Permits.
16. Pipe coating.
17. Pipe and fittings.
18. Pipe laying.
19. Pipe supports.
20. Protection of street openings.

21. River, highway, and railroad crossings, including revetments, pipe anchors, etc.
22. Valves.
23. Welding.

368 Compressor station equipment.

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

ITEMS

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

369 Measuring and regulating station equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring or regulating gas in connection with transmission system operations.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

NOTE: Pipe lines companies shall include in the transmission functional classification city gate and main line industrial measuring and regulating stations, except that where pipe line companies measure deliveries of gas at entry points to their own distribution systems, they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purposes of this system of accounts.

370 Communication equipment.

This account shall include the cost installed of radio, telephone, microwave, and other equipment used wholly or predominantly in connection with the operation and maintenance of the gas transmission system. (See also account 397, Communication Equipment.)

ITEMS

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

371 Other equipment.

This account shall include the cost installed of equipment used in transmission system operations, when not assignable to any of the foregoing accounts.

5. DISTRIBUTION PLANT

374 Land and land rights.

This account shall include the cost of land and land rights used in connection with distribution operations. (See gas plant instruction 7.)

375 Structures and improvements.

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

376 Mains.

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

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

ITEMS

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

377 Compressor station equipment.

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

ITEMS

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

378 Measuring and regulating station equipment—General.

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

ITEM

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

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

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

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

NOTE: Pipe line companies shall include in the transmission functional classification city gate and main line industrial measuring and regulating stations, except that where pipe line companies measure deliveries of gas at entry points to their own distribu-

tion systems, they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purposes of this system of accounts.

ITEMS

(See account 378 for items.)

380 Services.

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

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

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

ITEMS

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

NOTE: When a customer pays all or a part of the cost of the service and such cost is properly includible in this account, the amount borne or contributed by the customer shall be credited to account 271, Contributions in Aid of Construction.

381 Meters.

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

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

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

ITEMS

1. Meters, including badging and initial testing.

Meter installations:

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

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

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

382 Meter installations.

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

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

ITEMS

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

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

383 House regulators.

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

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

ITEMS

1. House regulator.

House regulator installations:

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

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

384 House regulator installations.

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

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

ITEMS

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

NOTE. At the option of the utility, house regulator installations may be accounted for as part of the cost installed of house regulators in accordance with the provisions of account 383, House Regulators. The practice, however, shall be consistent from year to year and throughout the utility's system.

385 Industrial measuring and regulating station equipment.

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

ITEMS

(See account 378 for items.)

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

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

386 Other property on customers' premises.

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

387 Other equipment.

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

ITEMS

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

6. GENERAL PLANT

389 Land and land rights.

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See Gas plant instruction 7.)

390 Structures and improvements.

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

391 Office furniture and equipment.

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

ITEMS

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

392 Transportation equipment.

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

ITEMS

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

393 Stores equipment.

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

ITEMS

1. Chain falls.
2. Counters.
3. Cranes (portable).
4. Elevating and stacking equipment (portable).
5. Hoists.
6. Lockers.
7. Scales.
8. Shelving.
9. Storage bins.
10. Trucks, hand and power driven.
11. Wheelbarrows.

394 Tools, shop and garage equipment.

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

ITEMS

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

395 Laboratory equipment.

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

ITEMS

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

396 Power operated equipment.

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

ITEMS

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

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

397 Communication equipment.

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

ITEMS

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

398 Miscellaneous equipment.

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

ITEMS

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

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

399 Other tangible property.

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

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

Operating expenses.

401 Operation expense.
402 Maintenance expense.
403 Depreciation expense.
404.1 Amortization and depletion of producing natural gas land and land rights.
404.2 Amortization of underground storage land and land rights.
404.3 Amortization of other limited-term gas plant.
405 Amortization of other gas plant.
406 Amortization of gas plant acquisition adjustments.
407.1 Amortization of property losses.
407.2 Amortization of conversion expenses.
408 Taxes other than income taxes.
409 Income taxes.
410 Provision for deferred taxes on income.
411 Taxes on income deferred in prior years—Cr.

TOTAL OPERATING EXPENSES

Operating income.

412–413 Income from gas plant leased to others.
414 Other utility operating income.

TOTAL OPERATING INCOME

2. OTHER INCOME

415–416 Income from merchandising, jobbing, and contract work.
417 Income from nonutility operations.
418 Nonoperating rental income.
419 Interest and dividend income.
421 Miscellaneous nonoperating income.

TOTAL OTHER INCOME

TOTAL INCOME

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.
426 Other income deductions.

Total income deductions.

INCOME BEFORE INTEREST CHARGES

4. INTEREST CHARGES

427 Interest on long-term debt.
428 Amortization of debt discount and expense.
429 Amortization of premium on debt—Cr.
430 Interest on debt to associated companies.
431 Other interest expense.
432 Interest charged to construction—Cr.

Total interest charges.

NET INCOME

5. EARNED SURPLUS

216 Unappropriated earned surplus (at beginning of period).

433 Balance transferred from income.
434 Miscellaneous credits to surplus.
435 Miscellaneous debits to surplus.
436 Appropriations of surplus.

NET ADDITION TO EARNED SURPLUS

437 Dividends declared—Preferred stock.
438 Dividends declared—Common stock.
216 Unappropriated earned surplus (at end of period).

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

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

401 Operation expense.

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

402 Maintenance expense.

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

403 Depreciation expense.

A. This account shall include the amount of depreciation expense for all classes of depreciable gas plant in service except such depreciation expense as is chargeable to clearing accounts or to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

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

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

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

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

A. This account shall include charges for amortization and depletion of producing natural gas land and land rights. (See account 111.1, Accumulated Provision for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

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

404.2 Amortization of underground storage land and land rights.

A. This account shall include charges for amortization of land and land rights of underground storage projects for natural gas. (See account 111.2, Accumulated Provision for Amortization of Underground Storage Land and Land Rights.)

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

404.3 Amortization of other limited-term gas plant.

This account shall include amortization charges applicable to amounts included in the gas plant accounts for limited-term franchises, licenses, patent rights, limited-term interests in land, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See account 111.3, Accumulated Provision for Amortization of Other Gas Plant in Service.)

405 Amortization of other gas plant.

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

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

406 Amortization of gas plant acquisition adjustments.

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

407.1 Amortization of property losses.

This account shall be charged with amounts credited to account 182, Extraordinary Property Losses, when the Commission has authorized the amount in the latter account to be amortized by charges to gas operating expenses.

407.2 Amortization of conversion expenses.

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

408 Taxes other than income taxes.

A. This account shall include the amount of ad valorem, gross revenue or gross receipts taxes, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by federal, state, county, municipal, or other local governmental authorities, which are properly chargeable to gas operations, except income taxes.

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

C. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering a number of utility services, taxes includible in this account shall be assigned directly to the utility department the operation of which gave rise to the tax, in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

NOTE A: Taxes applicable to nonutility property or investments shall be charged to the account in which the income from the property or investments is included.

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

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

NOTE D: Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropriate rent expense or clearing account.

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

NOTE F: Social Security and other forms of so-called pay roll taxes shall be distributed to utility departments and to nonutility functions on a basis related to pay roll. Amounts applicable to construction shall be charged to the appropriate plant account.

409 Income taxes.

A. This account shall include the amount of state and federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted accordingly so that this account, as nearly as can be ascertained, shall include the actual taxes payable which are chargeable to utility operations.

B. The accruals for income taxes shall be apportioned among utility departments and nonutility operations so that, as nearly as practicable, each tax shall be

included in the expenses of the utility department or nonutility operation, the income from which gave rise to the tax.

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

NOTE B: Income taxes on income from utility plant leased to others shall be charged to account 413, Expenses of Gas Plant Leased to Others.

NOTE C: Where statutes or regulatory practices require that the profits or losses of merchandising, jobbing, and contract work shall not be considered in arriving at rates to be charged for utility service, income taxes on income from merchandising, jobbing and contract work shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

NOTE D: Income taxes on nonutility income shall be charged to the account in which the income is included. If the amount of nonutility income is relatively small, the allocation of income taxes thereto may be made annually.

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

410 Provision for deferred taxes on income.

This account shall be debited, and Accumulated Deferred Taxes on Income, shall be credited with an amount equal to any deferral of taxes on income as provided by the texts of accounts 281, 282, and 283. There shall not be netted against entries required to be made to this account any credit amounts appropriately includible in account 411, Taxes on Income Deferred in Prior Years-Credit.

411 Taxes on income deferred in prior years—Credit.

This account shall be credited and Accumulated Deferred Taxes on Income, debited with an amount equal to the portion of taxes on income payable for the year that is attributable to a deferral of taxes on income in a prior year, in accordance with the plan of deferred tax accounting provided by the texts of accounts 281, 282, and 283. There shall not be netted against entries required to be made to this account any debit amounts appropriately includible in account 410, Provision for Deferred Taxes on Income.

412 Revenues from gas plant leased to others.

413 Expenses of gas plant leased to others.

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

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

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes other than income taxes.
Income taxes.

414 Other utility operating income.

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

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

2. OTHER INCOME

415 Revenues from merchandising, jobbing and contract work.

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

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

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

NOTE: Revenues and expenses of merchandising, jobbing and contract work shall be reported in these accounts, if a State regulatory body having jurisdiction over the utility requires the net income therefrom to be reported as other income; but the revenues and expenses shall be reported in accounts 914, Revenues from Merchandising, Jobbing and Contract Work, and 915, Costs and Expenses of Merchandising, Jobbing and Contract Work, if such regulatory body requires the net income to be reported as an operating income or expense item. In the absence of a requirement by a State regulatory body, the utility may use these accounts or accounts 914 and 915 at its option, in which case the practice of the utility must be consistent.

ITEMS

Account 415:
1. Revenues from sale of merchandise and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 416:
Labor:
1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
2. Demonstrating and selling activities in sales rooms.
3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
4. Installing piping or other property work on a jobbing or contract basis.
5. Preparing advertising materials for appliance sales purposes.
6. Receiving and handling customer orders for merchandise or for jobbing services.
7. Cleaning and tidying sales rooms.
8. Maintaining display counters and other equipment used in merchandising.
9. Arranging merchandise in sales rooms and decorating display windows.
10. Reconditioning repossessed appliances.
11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.
12. Supervising merchandise and jobbing operations.

Materials and expenses:
13. Advertising in newspapers, periodicals, radio, television, etc.
14. Cost of merchandise sold and of materials used in jobbing work.
15. Stores expenses on merchandise and jobbing stocks.
16. Fees and expenses of advertising and commercial artists' agencies.
17. Printing booklets, dodgers, and other advertising data.
18. Premiums given as inducement to buy appliances.
19. Light, heat, and power.
20. Depreciation on equipment used primarily for merchandise and jobbing operations.
21. Rent of sales rooms or of equipment.
22. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.
23. Stationery and office supplies and expenses.
24. Taxes directly assignable to merchandise and jobbing operations including income taxes on net income derived therefrom.
25. Losses from uncollectible merchandise and jobbing accounts.

417 Income from nonutility operations.

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

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

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes other than income taxes.
Income taxes.

418 Nonoperating rental income.

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

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

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes other than income taxes,
Income taxes.

419 Interest and dividend income.

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

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Surplus.

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

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

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

421 Miscellaneous nonoperating income.

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

ITEMS

1. Profit on sale of timber. (See gas plant instruction 7c.)
2. Profits from operations of others realized by the utility under contracts.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to Surplus.

ITEMS

1. Amortization of utility plant acquisition adjustments, or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.
2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the Commission.
3. Amortization of capital stock discount or expenses when in accordance with a systematic amortization program.

426 Other income deductions.

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

ITEMS

1. Donations for charitable, social or community welfare purposes.
2. Life insurance of officers and employees where utility is beneficiary (net premiums less increase in cash surrender value of policies).
3. Penalties or fines for violation of statutes pertaining to regulation.

4. INTEREST CHARGES

427 Interest on long-term debt.

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

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

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

428 Amortization of debt discount and expense.

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

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

429 Amortization of premium on debt—Credit.

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 251, Unamortized Premium on Debt.

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

430 Interest on debt to associated companies.

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

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

431 Other interest expense.

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

ITEMS

1. Interest on notes payable on demand or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.
2. Interest on customers' deposits.
3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.
4. Income and other taxes levied upon bondholders of utility and assumed by it.

432 Interest charged to construction—Credit.

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. (See Gas plant instruction 3 (17).)

5. EARNED SURPLUS

433 Balance transferred from income.

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

434 Miscellaneous credits to surplus.

This account shall include credits affecting earned surplus not provided for elsewhere. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Delayed credits as provided in general instruction 7.
2. Profit on reacquisition and resale or retirement of utility's debt securities.
3. Profit on sale of property or investments.

435 Miscellaneous debits to surplus.

A. This account shall include amounts chargeable to earned surplus but not provided for elsewhere. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Decline in value of investments.
2. Delayed debits as provided in general instruction 7.
3. Loss on reacquisition and resale or retirement of utility's debt securities.
4. Provision for past accrued depreciation not provided for.
5. Long-term debt discount or expense written off.
6. Loss on sale of property or investments.
7. Write off of utility plant acquisition adjustments or of intangibles when not done under an orderly systematic program indicating the propriety of inclusion of the annual charges in account 425, Miscellaneous Amortization.
8. Preliminary survey and investigation expenses on abandoned projects.
9. Income taxes, both State and Federal, occasioned by items included in account 434, Miscellaneous Credits to Surplus.
10. Charges from retirement or resale of reacquired capital stock.

436 Appropriations of surplus.

This account shall include appropriations of earned surplus for purposes not provided for elsewhere.

ITEMS

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

437 Dividends declared—Preferred stock.

A. This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding pre-

ferred or prior lien capital stock issued by the utility.

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

438 Dividends declared—Common stock.

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

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

Operating Revenue Accounts

1. SALES OF GAS

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

2. OTHER OPERATING REVENUES

487 Forfeited discounts.
488 Miscellaneous service revenues.
489 Revenues from transportation of gas of others.
490 Sales of products extracted from natural gas.
491 Revenues from natural gas processed by others.
492 Incidental gasoline and oil sales.
493 Rent from gas property.
494 Interdepartmental rents.
495 Other gas revenues.

Operating Revenue Accounts

1. SALES OF GAS

480 Residential sales.

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

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

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

481 Commercial and industrial sales.

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

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

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

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

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

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

482 Other sales to public authorities.

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

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

483 Sales for resale.

A. This account shall include the net billing for gas supplied to other gas utilities or to public authorities for resale purposes.

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

484 Interdepartmental sales.

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

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

2. OTHER OPERATING REVENUES

487 Forfeited discounts.

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

488 Miscellaneous service revenues.

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

ITEMS

1. Fees for changing, connecting, or disconnecting service.
2. Profit on maintenance of appliances, piping, gas firing, and other utilization facilities, or other installations on customers' premises.
3. Net credit or debit (cost less net salvage and less payment from customers) on closing work orders for plant installed for temporary service of less than 1 year. (See account 185, Temporary Facilities.)
4. Recovery of expenses in connection with gas diversion cases. (Billing for the gas consumed shall be included in the appropriate gas revenue account.)
5. Services performed for other gas companies for testing and adjusting meters, changing charts, etc.

489 Revenues from transportation of gas of others.

This account shall include revenues from transporting gas for other companies through the production, transmission, and distribution lines, or compressor stations of the utility.

490 Sales of products extracted from natural gas.

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

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

491 Revenues from natural gas processed by others.

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

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

492 Incidental gasoline and oil sales.

This account shall include revenues from natural gas gasoline produced direct from gas wells or recovered from drips or obtained in connection with purification or dehydration processes, and revenues from oil obtained from wells which produce oil and gas, the in-

vestment in which is carried in accounts 330, Producing Gas Wells—Well Construction, and 331, Producing Gas Wells—Well Equipment.

493 Rent from gas property.

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

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

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

494 Interdepartmental rents.

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

495 Other gas revenues.

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

ITEMS

1. Commission on sale or distribution of gas of others when sold under rates filed by such others.

2. Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.

3. Profit or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.

4. Sales of steam, water, or electricity, including sales or transfers to other departments of the utility.

5. Service charges for storing gas of others.

6. Miscellaneous royalties received.

7. Revenues from dehydration and other processing of gas of others, except products extraction where products are received as compensation and sales of such are includible in account 490, Sales of Products Extracted From Natural Gas, and except compression of gas of others, revenues from which are includible in account 489, Revenues from Transportation of Gas of Others.

Operation and Maintenance Expense Accounts

1. PRODUCTION EXPENSES

A. MANUFACTURED GAS PRODUCTION

A 1. Steam Production

Operation

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

Maintenance

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

A 2. Manufactured Gas Production

Operation

710 Operation supervision and engineering.

PRODUCTION LABOR AND EXPENSES

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

GAS FUELS

719 Fuel under coke ovens.
720 Producer gas fuel.
721 Water gas generator fuel.
722 Fuel for oil gas.
723 Fuel for liquefied petroleum gas process.
724 Other gas fuels.

GAS RAW MATERIALS

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

Maintenance

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

B. NATURAL GAS PRODUCTION

B 1. Natural Gas Production and Gathering

Operation

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

Maintenance

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

B 2. Products Extraction

Operation

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

Maintenance

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

C. EXPLORATION AND DEVELOPMENT EXPENSES

Operation

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

D. OTHER GAS SUPPLY EXPENSES

Operation

800 Natural gas well head purchases.
801 Natural gas field line purchases.
802 Natural gas gasoline plant outlet purchases.
803 Natural gas transmission line purchases.
804 Natural gas city gate purchases.
805 Other gas purchases.
806 Exchange gas.
807 Purchased gas expenses.
808 Gas withdrawn from underground storage—debit.
809 Gas delivered to underground storage—credit.
810 Gas used for compressor station fuel—credit.
811 Gas used for products extraction—credit.
812 Gas used for other utility operations—credit.
813 Other gas supply expenses.

2. UNDERGROUND STORAGE EXPENSES

Operation

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

Maintenance

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

3. LOCAL STORAGE EXPENSES

Operation

840 Operation supervision and engineering.
841 Operation labor and expenses.
842 Rents.

Maintenance

843 Maintenance supervision and engineering.
844 Maintenance of structures and improvements.
845 Maintenance of gas holders.
846 Maintenance of other equipment.

4. TRANSMISSION EXPENSES

Operation

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

Maintenance

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

5. DISTRIBUTION EXPENSES

Operation

870 Operation supervision and engineering.
871 Distribution load dispatching.
872 Compressor station labor and expenses.
873 Compressor station fuel and power.
874 Mains and services expenses.
875 Measuring and regulating station expenses—general.
876 Measuring and regulating station expenses—industrial.
877 Measuring and regulating station expenses—city gate check stations.
878 Meter and house regulator expenses.
879 Customer installations expenses.
880 Other expenses.
881 Rents.

Maintenance

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

6. CUSTOMER ACCOUNTS EXPENSES

Operation

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

7. SALES EXPENSES

Operation

911 Supervision.
912 Demonstrating and selling expenses.
913 Advertising expenses.
914 Revenues from merchandising, jobbing, and contract work.
915 Costs and expenses of merchandising, jobbing, and contract work.
916 Miscellaneous sales expenses.

8. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

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

Maintenance

932 Maintenance of general plant.

Operation and Maintenance Expense Accounts

1. PRODUCTION EXPENSES

A. MANUFACTURED GAS PRODUCTION

A. 1. Steam Production

Operation

700 Operation supervision and engineering.

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

701 Operation labor.

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

ITEMS

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

702 Boiler fuel.

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

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

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

703 Miscellaneous steam expenses.

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

ITEMS

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

704 Steam transferred—credit.

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

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

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

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

Maintenance

705 Maintenance supervision and engineering.

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

706 Maintenance of structures and improvements.

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

707 Maintenance of boiler plant equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment

used in steam production the book cost of which is includible in account 306, Boiler Plant Equipment. (See operating expense instruction 2.)

708 Maintenance of other steam production plant.

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

A 2 Manufactured Gas Production

Operation

710 Operation supervision and engineering.

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

711 Steam expenses.

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

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

712 Other power expenses.

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

713 Coke Oven Expenses.

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

ITEMS

Labor:
1. Supervising.
2. Work of the following character in operation of coke ovens:
a. Charging and leveling coal.
b. Heating ovens to produce coke.
c. Pushing, transporting, quenching, and dumping coke on wharf.
d. Reclaiming coke spillage, removing, replacing, and luting oven doors and lids.
e. Handling and mixing luting mud.
f. Controlling oven heats and gas heating value with dilution gas.
g. Controlling flue temperature, stack drafts, collecting main pressure and the flow of flushing liquor and drains.
h. Operating, cleaning, and lubricating equipment not incidental to maintenance work, such as: charger, pusher, door operating and luting, mud mixing, gas reversal, transportation machinery and equipment, quenching pumps and tower, together with valves, instruments, meters, controls, gauges, and records connected with their operation.
i. Tar chasing (spooning tar in hot drains.)
j. Cleaning doors, jambs, and stand pipes.
3. Handling and transporting coal from storage or boats to battery bins.
4. Operating, cleaning and lubricating mechanical equipment, such as: hoist machines, conveyors and their housing, hammermills and breakers, mixing and battery bins, together with their control valves, instruments, etc.
5. Wetting and handling coke to the coke wharf or storage including cleaning and lubricating of equipment not incident to maintenance.
6. Pumping gas from ovens and maintaining the proper pressures on the collecting main and throughout the apparatus train, including cleaning and lubricating the oven gas exhausters and revivifying blowers, not incident to maintenance.
7. Removing and disposing of carbon, fines, sediment, and waste material.
8. Cleaning ovens and exhauster house, including janitor service in the employees' locker and wash room within this operating area.

Materials and expenses:
9. Packing, waste, lubricants, etc.
10. Small hand tools.
11. Building service, communication service, transportation.

714 Producer gas expenses.

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

ITEMS

Labor:
1. Supervising.
2. Work of the following character in connection with operation of producer gas sets (excepting the waste heat boiler and auxiliaries):
a. Inspecting, testing, clinkering, lighting and starting set.
b. Controlling fire and heats with fuel charges.
c. Barring, measuring, and rodding fires.
d. Observing pyrometers, pressures and CO_2 in stack gases.
e. Regulating input materials, such as coke, steam and air and making required flow rate and operating cycle changes.
f. Cleaning and removal of ash, dust, sediment and materials from the set and connections, seal pots, duct pockets, bootlegs, collectors and pumps.
g. Cleaning and reluting producer set doors.
h. Operating, cleaning and lubricating fuel charging lorries, grates, jackets and auxiliaries, ash removal apparatus, and associated instruments, meters, gauges, controls, etc.
3. Handling fuel from storage into bins with conveyors.
4. Operating, cleaning and lubricating auxiliary equipment, not incident to maintenance work, such as coolers, pumps, blowers, exhausters or boosters, fuel handling equipment, etc.
5. Removing and disposing of ashes, sediment and other waste material.
6. Cleaning the producer and booster houses including janitorial and similar services.

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

715 Water gas generating expenses.

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

ITEMS

Labor:
1. Supervising.
2. Work of the following character in connection with the operation of water gas sets (excepting the waste heat boiler and auxiliries):
a. Inspecting, testing, clinkering, lighting and starting up.
b. Controlling fire and heats with fuel charges, barring and rodding fires, operating grates and jackets, taking stains, observing pyrometers, pressures, seal pot water flow and stack gases, regulating input materials such as coke, oil, natural gas, steam and air.
c. Making required flow rate and operating cycle changes.
d. Cleaning and removing ashes, carbon, and sediment from the set and connections, the wash box, seal pot, oil spray, duct pockets, bootlegs, and collectors, and cleaning and reluting producer set doors.
e. Operating, cleaning and lubricating fuel charging lorries, blowers, valves, automatic operators, and grates, together with their instruments, gauges, and controls, also the ash belts.
3. Operating, cleaning and lubricating auxiliary equipment, such as hydraulic pumps, circulating water pumps, oil pumps from storage to sets, steam accumulators and regulators and reducers on natural gas for reforming, exhausters, revivifying air blowers, and purifier exhausters.
4. Handling fuel from storage into bins with conveyors.
5. Removing and disposing of ashes, carbon, sediment, and other waste material.
6. Cleaning of generator and exhauster houses, including janitorial and similar services.

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

716 Oil gas generating expenses.

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

ITEMS

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

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

717 Liquefied petroleum gas expenses.

This account shall include the cost of labor used and expenses incurred in the operation of equipment used for vaporizing petroleum derivatives such as pro-

pane, butane or gasoline exclusive of cost of the materials vaporized or used for fuel in the vaporizing process.

ITEMS

Labor:
1. Supervising.
2. Operating, cleaning and lubricating liquid petroleum vaporizers and injectors.
3. Taking pressures and temperatures, and reading gauges on storage tanks.
4. Inspecting and testing equipment and setting and adjusting controls and regulators.
5. Watching pressure gauges, maintaining pressures and relieving excess pressures through lines.
6. Repressuring storage tanks.

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

718 Other process production expenses.

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

719 Fuel under coke ovens.

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

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

ITEMS

1. Gas made by the utility and used under coke ovens.
2. Natural and other purchased gas used under coke ovens.

720 Producer gas fuel.

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

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

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

721 Water gas generator fuel.

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

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

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

722 Fuel for oil gas.

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

723 Fuel for liquefied petroleum gas process.

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

724 Other gas fuels.

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

725 Coal carbonized in coke ovens.

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

B. Records shall be kept to show the type, quantity, and cost of coal used.

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

726 Oil for water gas.

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

B. Records shall be kept to show the type, quantity, and cost of oil used.

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

727 Oil for oil gas.

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

B. Records shall be kept to show the type, quantity, and cost of oil used.

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

728 Liquefied petroleum gas.

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

B. Records shall be kept to show the type, quantity, and cost of liquefied petroleum gas.

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

729 Raw materials for other gas processes.

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

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

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

730 Residuals expenses.

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

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

731 Residuals produced—credit.

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

B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting the appropriate subdivision of account 153, Residuals and Extracted Products, with the difference.

732 Purification expenses.

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

ITEMS

Labor:
1. Supervising.
2. Operating conveyors, condensers, coolers, tar extractors and precipitators, shaving scrubbers and naphthalene and light oil scrubbers.
3. Emptying, rearranging, shifting, cleaning, purging, and refilling purifier boxes.
4. Removing spent oxide to refuse pile.
5. Revivifying oxide.

6. Oiling dip sheets of purifier boxes.
7. Inspecting, testing, controlling adjustments, and taking stains.
8. Cleaning and lubricating purification equipment.

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

733 Gas mixing expenses.

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

ITEMS

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

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

734 Duplicate charges—credit.

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

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

735 Miscellaneous production expenses.

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

ITEMS

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

Materials and expenses:
19. Producer gas transferred from coke oven plant to water gas plant for dilution purposes.
20. Building service, communication service, transportation.
21. First aid supplies and safety equipment.
22. Office supplies, printing and stationery.
23. Meals, travelling and incidental expenses.
24. Fuel for heating plant, water for fire protection or general use, and similar items.
25. Lubricants, packing, waste, etc.
26. Odorizing chemicals.
27. Hand tools, drills, saw blades, files, etc.
28. Fire protection supplies.
29. Fogging oils, alcohol, etc.
30. Chemicals, filter materials, etc., and payments to others for disposal of plant effluents and waste.
31. Chemicals for water treatment.

736 Rents.

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

Maintenance

740 Maintenance supervision and engineering.

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

741 Maintenance of structures and improvements.

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

742 Maintenance of production equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment for the production of manufactured gas, the book cost of which is included in accounts 306 to 320, inc., except such equipment as is used for the production of steam the maintenace of which is includible in accounts 707, Maintenance of Boiler Plant Equipment, and 708, Maintenance of Other Steam Production Plant. (See operating expense instruction 2.)

B. NATURAL GAS PRODUCTION

B.1. Natural Gas Production and Gathering

Operation

750 Operation supervision and engineering.

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

ITEMS

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

751 Production maps and records.

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

ITEMS

Labor:
With respect to production maps:
1. Supervising.
2. Preparing farm maps, field inventory maps, well location plats, and other maps used in connection with natural gas production and gathering operations.
3. Posting changes and making corrections of maps.
4. Maintaining files of maps and tracings.
5. Surveying deeds, leases, rights-of-way, well locations, etc., for map revisions.
6. Reproducing maps (blueprints, photostats, etc.).

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

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

752 Gas wells expenses.

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

ITEMS

Labor:
1. Supervising.

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

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

753 Field lines expenses.

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

ITEMS

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

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

754 Field compressor station expenses.

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

ITEMS

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

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

755 Field compressor station fuel and power.

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

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, the average Btu content per fuel unit, and the cost of such fuel or power.

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

756 Field measuring and regulating station expenses.

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

ITEMS

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

Materials and expenses:
15. Charts and printed forms, stationery and office supplies, etc.
16. Lubricants, wiping rags, waste.
17. Employees' transportation and travel expense.
18. Freight, express, parcel post, trucking and other transportation.
19. Utility services: light, water, telephone.

757 Purification expenses.

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

ITEMS

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

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

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

758 Gas well royalties.

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

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

759 Other expenses.

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

ITEMS

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

Materials and expenses:
4. Miscellaneous small tools, etc.

760 Rents.

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

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

Maintenance

761 Maintenance supervision and engineering.

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

762 Maintenance of structures and improvements.

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

763 Maintenance of producing gas wells.

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

764 Maintenance of field lines.

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

ITEMS

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

765 Maintenance of field compressor station equipment.

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

766 Maintenance of field measuring and regulating station equipment.

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

767 Maintenance of purification equipment.

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

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

768 Maintenance of drilling and cleaning equipment.

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

769 Maintenance of other equipment.

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

B.2. Products Extraction

Operation

770 Operation supervision and engineering.

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

771 Operation labor.

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

ITEMS

Labor:
1. Supervising.
2. Operating, checking, lubricating, wiping, polishing, and cleaning engines, equipment, valves, machinery, gauges, and other instruments, etc.
3. Inspecting and testing equipment and instruments, not specifically to determine necessity for repairs or replacement of parts.
4. Reading meters, gauges, and other instruments, changing charts, preparing operating reports, etc.
5. Testing gasoline samples, water, etc.
6. Cleaning structures housing equipment, cutting grass and weeds and doing minor grading work around equipment and structures, etc.
7. Driving trucks used in products extraction operations.
8. Cleaning and repairing hand tools used in operations, etc.
9. Watching plant during shut-down periods.
10. Making electricity or steam.

772 Gas shrinkage.

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

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

773 Fuel.

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

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

774 Power.

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

775 Materials.

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

ITEMS

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

776 Operation supplies and expenses.

This account shall include supplies used and expenses incurred in the operation of facilities for recovering salable products from natural gas and blending and refining such products, not provided for elsewhere.

ITEMS

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

777 Gas processed by others.

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

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

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

ITEMS

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

778 Royalties on products extracted.

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

779 Marketing expenses.

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

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

ITEMS

Labor:
1. Salaries of persons directly engaged in marketing operations.

Materials and expenses:
2. Employee transportation and travel expenses.
3. Tank car rentals.
4. Freight and hauling charges for products shipped.
5. Miscellaneous marketing expenses.
6. Building service charges for space occupied by marketing personnel.
7. Uncollectible accounts for extracted products sold.

780 Products purchased for resale.

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

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

781 Variation in products inventory.

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

782 Extracted products used by the utility—credit.

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

783 Rents.

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

Maintenance

784 Maintenance supervision and engineering.

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

785 Maintenance of structures and improvements.

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

786 Maintenance of extraction and refining equipment.

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

787 Maintenance of pipe lines.

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

788 Maintenance of extracted products storage equipment.

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

789 Maintenance of compressor equipment.

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

790 Maintenance of gas measuring and regulating equipment.

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

791 Maintenance of other equipment.

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

C. EXPLORATION AND DEVELOPMENT EXPENSES

795 Delay rentals.

A. This account shall be charged with the amount of rents paid periodically on natural gas lands in order to hold natural gas land and land rights for the purpose of obtaining a supply of gas in the future.

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

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

796 Nonproductive well drilling.

This account shall include the net cost of drilling nonproductive wells.

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

797 Abandoned leases.

A. This account shall be charged with amounts credited to account 113.1, Accumulated Provision for Abandonment of Leases, to cover the probable loss on abandonment of natural gas leases included in account 105, Gas Plant Held for Future Use, which have never been productive.

B. When natural gas leaseholds which have never been productive are abandoned, and the amounts provided in account 113.1, Accumulated Provision for Abandonment of Leases, are not sufficient to cover the cost thereof, the deficiency shall be charged to this account, unless otherwise authorized or directed by the Commission. (See account 182.)

798 Other exploration.

This account shall be charged with the cost of abandoned projects on which preliminary expenditures were made for the purpose of determining the feasibility of acquiring acreage to provide a future supply of natural gas. (See account 183.1, Preliminary Natural Gas Survey and Investigation Charges.)

D. OTHER GAS SUPPLY EXPENSES

Operation

800 Natural gas well head purchases.

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

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

801 Natural gas field line purchases.

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

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

802 Natural gas gasoline plant outlet purchases.

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

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

803 Natural gas transmission line purchases.

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

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

804 Natural gas city gate purchases.

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

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

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

805 Other gas purchases.

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

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

806 Exchange gas.

A. This account shall include debits or credits for the cost of gas in unbalanced exchange transactions whereby gas is received from another party in exchange for delivery of gas to such other party and receipt and delivery of such gas is not completed during the accounting period. Contra entries to those in this account shall be made to account 174, Miscellaneous Current and Accrued Assets, for exchange gas receivable and to account 242, Miscellaneous Current and Accrued Liabilities, for exchange gas deliverable. Such entries shall be reversed and appropriate contra entries made to this account when gas is received or delivered in satisfaction of the amounts receivable or deliverable. This accounting is not required for minor transactions.

B. If revenue is earned or amounts are payable in consideration of the performance of exchange services, such revenue or expense should be recorded in account 495, Other Gas Revenues, or account 813, Other Gas Supply Expenses, as appropriate. See, however, accounts 489, Revenues from Transportation of Gas of Others, and 858, Transmission and Compression of Gas by Others, for transactions which, in fact, are for transportation of gas rather than exchange of gas.

C. Records shall be maintained so that there is readily available for each gas exchange the volume of gas received and delivered whether or not entries of dollar amounts to this account are required.

807 Purchased gas expenses.

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

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

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

D. This account shall be subdivided as follows:

807.1 Wells expenses—purchased gas
807.2 Operation and maintenance of purchased gas measuring stations
807.3 Purchased gas calculations expenses
807.4 Other purchased gas expenses

808 Gas withdrawn from underground storage—debit.

A. This account shall include debits for the cost of gas withdrawn from underground storage during the year. Contra credits for entries to this account shall be made to account 108, Gas Stored Underground—Noncurrent.

B. Withdrawal of gas from storage shall not be netted against deliveries to storage. (See account 809.)

NOTE: Adjustments for gas inventory losses due to cumulative inaccuracies in gas measurement, or from other causes, shall be entered in account 823, Gas Losses. If, however, any adjustment is substantial and related predominantly to prior years, it shall be charged to account 435, Miscellaneous Debits to Surplus. (See general instruction 7, Delayed Items.)

809 Gas delivered to underground storage—credit.

A. This account shall include credits for the cost of gas delivered to underground storage during the year. Contra debits for entries to this account shall be made to account 108, Gas Stored Underground—Noncurrent.

B. Deliveries of gas to storage shall not be netted against withdrawals from storage. (See account 808.)

810 Gas used for compressor station fuel—credit.

This account shall include concurrent credits for charges which are made to operating expenses for gas consumed for compressor station fuel from the common system gas supply.

811 Gas used for products extraction—credit.

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

812 Gas used for other utility operations—credit.

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

813 Other gas supply expenses.

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

2. UNDERGROUND STORAGE EXPENSES

Operation

814 Operation supervision and engineering.

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

815 Maps and records.

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

ITEMS

Labor:

With respect to land records:

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

With respect to maps:

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

Materials and expenses (general):

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

816 Wells expenses.

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

ITEMS

Labor:

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

Materials and expenses:

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

817 Lines expenses.

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

ITEMS

Labor:

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

Materials and expenses:

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

818 Compressor station expenses.

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

ITEMS

Labor:

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

Materials and expenses:

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

819 Compressor station fuel and power.

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

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, the average Btu content per fuel unit, and the cost of such fuel or power.

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

820 Measuring and regulating station expenses.

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

ITEMS

Labor:

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

13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, etc., blowing meter drips.
14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

Materials and expenses:
15. Charts and printed forms, stationery and office supplies, etc.
16. Lubricants, wiping rags, waste.
17. Employees' transportation and travel expense.
18. Freight, express, parcel post, trucking and other transportation.
19. Utility services: light, water, telephone.

821 Purification expenses.

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

ITEMS

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

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

822 Exploration and development.

This account shall include expenses of investigation, exploration, and development of underground storage projects under consideration which prove not feasible. There also shall be included in this account the net cost of drilling nonoperative wells within an existing storage project. (See account 183.2, Other Preliminary Survey and Investigation Charges.)

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

823 Gas losses.

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in underground storage operations due to cumulative inaccuracies of gas measurements or other causes. (See the Uniform System of Accounts, paragraph G of account 108, Gas Stored Underground—Noncurrent.) If, however, any adjustment is substantial and relates predominantly to prior years, it shall be charged to account 435, Miscellaneous Debits to Surplus. (See general instruction 7, Delayed Items.)

824 Other expenses.

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

825 Storage well royalties.

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

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

826 Rents.

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

Maintenance

830 Maintenance supervision and engineering.

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

831 Maintenance of structures and improvements.

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

832 Maintenance of wells.

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

833 Maintenance of lines.

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

834 Maintenance of compressor station equipment.

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

835 Maintenance of measuring and regulating station equipment.

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

836 Maintenance of purification equipment.

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

837 Maintenance of other equipment.

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

3. LOCAL STORAGE EXPENSES

Operation

840 Operation supervision and engineering.

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

841 Operation labor and expenses.

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

ITEMS

Labor:
1. Supervising.
2. Operating, checking, lubricating, cleaning, and polishing equipment, machinery, valves, instruments, and other local storage equipment.
3. Reading meters, gauges and other instruments, changing charts, preparing operating reports, etc.
4. Pumping inlet and outlet holder drips.
5. Inspecting and testing equipment when not specifically for repairs or replacement of parts.
6. Cleaning structures and housing equipment, cutting grass and weeds, and doing minor grading work around structures and equipment.
7. Cleaning and repairing hand tools used for operations, etc.
8. Operating steam lines for heating storage facilities.

Materials and expenses:
9. Charts for pressure gauges and meters, printed forms, etc.
10. Lubricants, wiping rags, waste, etc.
11. Janitor and washroom supplies, landscaping supplies, etc.
12. Employee travel and transportation expenses.
13. Freight, express, parcel post, trucking, and other transportation.
14. Utility services: light, water, and telephone.
15. Steam for holder caps, including fuel to produce such steam.
16. Variation of gas in holders.

842 Rents.

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

Maintenance

843 Maintenance supervision and engineering.

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

844 Maintenance of structures and improvements.

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

845 Maintenance of gas holders.

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

846 Maintenance of other equipment.

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

4. Transmission Expenses

Operation

850 Operation supervision and engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of transmission facilities. Direct supervision of specific activities such as operation of transmission lines, compressor stations, etc. shall be charged to the appropriate account. (See operating expense instruction 1.)

851 System control and load dispatchings.

This account shall include the cost of labor and expenses incurred in dispatching and controlling the supply and flow of gas through the system.

Items

Labor:
1. Supervising.
2. Analyses of pressures for irregularities, as received.
3. Collecting pressures by telephone and radio.
4. Controlling mixture of various gases to maintain proper Btu content.
5. Correspondence and records, typing and maintaining files.
6. Controlling production and storage inputs and withdrawals.
7. Instructing field men to increase or decrease pressures at regulators.
8. Maintaining pressures at compressor stations, key line junctions and regulating stations to divide the available gas during heavy demand periods.
9. Maintaining pressure log sheets.
10. Maintaining proper compression ratios at compressor stations, consistent with economical operations.
11. Maintaining lowest necessary line pressures consistent with satisfactory service.
12. Maintaining well operation record by well classification.
13. Requesting pressure changes at compressor stations, regulating stations, and key line junctions.
14. Rerouting gas during emergencies and planned shut downs.

Materials and expenses:
15. Consultants' fees and expenses.
16. Meals, traveling, and incidental expenses in connection with system load dispatching.
17. Office supplies, stationery and printed forms.
18. Transportation: company and rental vehicles.
19. Utility services: light, water, telephone.

852 Communications system expenses.

A. This account shall include the cost of labor, materials used and expenses incurred in connection with the operation of transmission communications facilities, such as radio and telephone communications systems, including payments to others for communications services for transmission and load dispatching operations.

B. Credits shall be made to this account and charges made to production, distribution and other gas utility functions and to other utility departments for equitable portions of transmission communications expenses attributable to use of transmission communications facilities other than in connection with gas transmission and load dispatching operation.

Items

Labor:
1. Supervising.
2. Operating switchboards, radio equipment, power generators, microwave equipment, etc. (except general office switchboards.)
3. Tagging telephone poles.
4. Testing and replacing telephone batteries, radio tubes, etc.
5. Cutting weeds and grass along telephone rights-of-way and around structures and equipment.
6. Changing radio frequencies.
7. Securing FCC authorization to change frequencies.
8. Taking FCC radio operator tests.
9. Transferring mobile radios between vehicles.
10. Changing locations of telephones and other communications equipment not in connection with maintenance or construction.
11. Inspecting and testing not specifically to determine necessity for repairs.
12. Cleaning and lubricating equipment.
13. Cleaning structures housing equipment.

Materials and expenses:
14. Payments to others for communications services.
15. Telephone batteries, radio tubes, etc.
16. Radio crystals and other materials used in changing radio frequencies.
17. Lubricants, wiping rags, and waste.
18. Employees' transportation and travel expenses.
19. Freight, expense, parcel post, trucking, and other transportation.

853 Compressor station labor and expenses.

This account shall include the cost of labor, materials used and expenses incurred (other than fuel and power) in operating transmission compressor stations.

Items

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

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

854 Gas for compressor station fuel.

A. This account shall include the cost of gas used for the operation of transmission compressor stations.

B. Records shall be maintained to show the Mcf of gas consumed at each compressor station, the average Btu content, and the cost of such gas.

855 Other fuel and power for compressor stations.

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

B. Records shall be maintained to show the quantity of each type of fuel

consumed or electricity used at each compressor station, the average Btu content per fuel unit, and the cost of such fuel or power.

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

856 Mains expenses.

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

ITEMS

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

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

857 Measuring and regulating station expenses.

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

ITEMS

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

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

858 Transmission and compression of gas by others.

A. This account shall include amounts paid to others for the transmission and compression of gas of the utility.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement, name of other party, Mcf of gas delivered to the other party for transmission or compression and the Mcf of gas received back by the utility after transmission or compression, points of delivery to and receipt of gas from other party, amount and basis of charges for the transmission or compression service.

NOTE: If in connection with any gas delivered to another for transmission or compression such other party also processes the gas for extraction of gasoline or other salable products, credits attributable to the products so extracted shall be made to account 491, Revenues from Natural Gas Processed by Others, to the end that amounts recorded in this account shall only be charges for transportation or compression service.

859 Other expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating transmission system equipment and other transmission system expenses not includible in any of the foregoing accounts.

860 Rents.

This account shall include rents for property of others used, occupied or operated in connection with the operation of the transmission system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expense instruction 3.)

Maintenance

861. Maintenance supervision and engineering.

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

862 Maintenance of structures and improvements.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 366, Structures and Improvements. (See operating expense instruction 2.)

863 Maintenance of mains.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of mains, the book cost of which is includible in account 367, Mains. (See operating expense instruction 2.)

ITEMS

1. Supervising.
2. Electrolysis and leak inspection.
3. Installing and removing temporary lines, when necessitated by maintenance.
4. Lamping and watching while making repairs.
5. Lowering and changing location of lines, when the same pipe is used.
6. Protecting lines from fires, floods, landslides, etc.
7. Rocking creek crossings.

864 Maintenance of compressor station equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 368, Compressor Station Equipment. (See operating expense instruction 2.)

865 Maintenance of measuring and regulating station equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 369, Measuring and Regulating Station Equipment. (See operating expense instruction 2.)

866 Maintenance of communication equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 370, Communication Equipment. (See operating expense instruction 2.)

867 Maintenance of other equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 371, Other Equipment. (See operating expense instruction 2.)

5. DISTRIBUTION EXPENSES

Operation

870 Operation supervision and engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of distribution system operations. Direct supervision of specific activities such as load dispatching, mains operation, removing and resetting meters, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

871 Distribution load dispatching.

This account shall include the cost of labor, materials used and expenses incurred in dispatching and controlling the supply and flow of gas through the distribution system.

ITEMS

Labor.
1. Supervising.
2. Analyzing pressures for irregularities.
3. Collecting pressures by telephone and radio.
4. Controlling mixture of various gases to maintain proper Btu content.
5. Correspondence and records, typing and maintaining files.
6. Controlling gas-make and inputs to distribution system.
7. Maintaining pressures at key points to divide the available gas during heavy demand periods.
8. Maintaining pressure log sheets.
9. Maintaining lowest necessary line pressures consistent with satisfactory service.
10. Rerouting gas during emergencies and planned shut downs.

Materials and expenses:
11. Consultants' fees and expenses.
12. Meals, traveling, and incidental expenses.
13. Office supplies, stationery and printed forms.
14. Transportation: company and rented vehicles.
15. Utility services: light, water, telephone.

872 Compressor station labor and expenses.

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

ITEMS

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

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

873 Compressor station fuel and power.

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

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, the average Btu content per fuel unit, and the cost of such fuel or power.

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

874 Mains and services expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating distribution system mains and services.

ITEMS

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

Materials and expenses:
16. Line markers and warning signs.
17. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, tool boxes, etc.
18. Charts.
19. Scrubber oils.
20. Hand tools.
21. Lubricants, wiping rags, waste, etc.
22. Freight, express, parcel post, trucking and other transportation.
23. Uniforms.
24. Employee transportation and travel expenses.
25. Janitor and washroom supplies.
26. Utility services: light, water, telephone.
27. Gas used in mains operations.
28. Oil for fogging.

875 Measuring and regulating station expenses—general.

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

ITEMS

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

Materials and expenses:
15. Charts and printed forms, stationery and office supplies, etc.
16. Lubricants, wiping rags, waste.
17. Uniforms.
18. Employee transportation and travel expenses.
19. Freight, express, parcel post, trucking and other transportation.
20. Utility services: light, water, telephone.

876 Measuring and regulating station expenses—industrial.

This account shall include the cost of labor, materials used and expenses incurred in operating large measuring and regulating stations located on local distribution systems to serve specific commercial and industrial customers.

ITEMS

(See account 875 for items.)

877 Measuring and regulating station expenses—city gate check stations.

This account shall include the cost of labor, materials used and expenses incurred in operating measuring and regulating stations used to measure and regulate the receipt of gas at entry points to distribution systems.

NOTE: Pipe line companies shall include in the transmission functional classification city gate and main line industrial measuring and regulating stations, except that where pipe line companies measure deliveries of gas at entry points to their own distribution systems, they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for accounting purposes.

ITEMS

(See account 875 for items.)

878 Meter and house regulator expenses.

This account shall include the cost of labor, materials used and expenses incurred in connection with removing, resetting, changing, testing, and servicing customer meters and house regulators.

ITEMS

Labor:

(a) Removing, reinstalling, and changing or exchanging customer meters and house regulators:

1. Initiating or terminating service, including incidental meter reading.
2. Periodic replacement of meters and house regulators because of age.
3. Changing or exchanging meters and house regulators because of complaints or removal for inspection.
4. Resetting meters on existing connections.
5. Handling meters and house regulators to and from customer premises and meter shop.
6. Listing, tagging, and placing meter labels, etc., for removed and reset meters.
7. Changing position of meters or house regulators on the same premises.
8. Installing or removing blank linings.
9. Unproductive calls, etc.

(b) Turning on and turning off meters, except for failures of customers to pay bills:

10. Turning on meters, including necessary time to insure that gas lines are proper to use and that appliances are in usable condition.
11. Turning off meters including time to make safety precautions.

(c) Other:

12. Supervising.
13. Clerical work on meter history and associated equipment record cards, test cards, and reports.
14. Handling and recording meters for stock.
15. Inspecting and testing meters and house regulators.
16. Inspecting and adjusting meter testing equipment.
17. Driving trucks used in meter operations.

Materials and expenses:

18. Meter locks and seals.
19. Lubricants, wiping rags, waste, etc.
20. Uniforms.
21. Freight, express, parcel post, trucking, and other transportation.
22. Utility services: light, water, telephone, heating.
23. Office supplies, stationery and printing.
24. Employees' transportation expenses.
25. Janitor, washroom, first aid supplies, etc.

NOTE: The cost of the first setting of a meter or house regulator shall be charged to account 382, Meter Installations, or account 384, House Regulator Installations, as appropriate.

879 Customer installations expenses.

A. This account shall include the cost of labor, materials used and expenses incurred in work on customer premises other than expenses includible in account 878, Meter and House Regulator Expenses, including the cost of servicing customer-owned appliances when the cost of such work is borne by the utility.

B. Damage to customer equipment by employees of the utility whether incidental to the work or the result of negligence, shall be charged to the job on which the employee was engaged at the time of damage.

ITEMS

Labor:

1. Supervising.
2. Altering customer-owned service extensions or meter connections.
3. Investigating and correcting pressure difficulties or stoppages in customer-owned piping.
4. Adjusting and repairing burner pilots because of impurities in the gas or failure of the distribution system.
5. Oiling or spraying noisy customer meters.
6. Investigating and stopping gas leaks on customers' premises caused by defective meter, customer-owned piping, or customer appliances.
7. Inspecting new installations to determine that the customers' equipment and piping are properly installed and connected.
8. Consolidating meter installations, without change of size, due to elimination of separate meters for different service classifications.
9. Investigating and adjusting complaints of service on customers' premises.
10. Gas load surveys including the incidental preparations and replacement of meters.
11. Unproductive calls.
12. Stenographic and clerical work.
13. Janitorial services, etc.
14. Installing demand or test meters.
15. Inspecting, cleaning, repairing and adjusting customer-owned appliances for domestic, industrial, or commercial use, including house heating furnaces and other space heating appliances, hotel and restaurant appliances.
16. Replacing defective parts in customer-owned appliances and salvaging reusable appliance parts.

Materials and expenses:

17. Lubricants, wiping rags, waste, etc.
18. Uniforms.
19. Replacement parts for appliances.
20. Office supplies, printing and stationery.
21. Janitor, washroom, first aid supplies, etc.
22. Employees' transportation and travel expenses.
23. Utility services: light, water, telephone.

NOTE: Amounts billed customers for any work, the cost of which is charged to this account, shall be credited to this account. Any excess over costs resulting therefrom shall be transferred to account 488, Miscellaneous Service Revenues.

880 Other expenses.

This account shall include the cost of distribution maps and records, distribution office expenses, and the cost of labor and materials used and expenses incurred in distribution system operations not provided for elsewhere, including the expenses of operating street lighting systems.

881 Rents.

This account shall include rents for property of others used, occupied or operated in connection with the operation of the distribution system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expenses instruction 3.)

MAINTENANCE

885 Maintenance supervision and engineering.

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

886 Maintenance of structures and improvements.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 375, Structures and Improvements. (See operating expense instruction 2.)

887 Maintenance of mains.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of distribution mains, the book cost of which is includible in account 376, Mains. (See operating expense instruction 2.)

ITEMS

1. Supervising.
2. Trenching, backfilling, and breaking and restoring pavement in connection with the installation of leak or reinforcing clamps.
3. Work performed as the result of municipal improvements, such as street widening, sewers, etc., where the gas mains are not retired.
4. Municipal inspections relating to maintenance work.
5. Other work of the following character:

a. Locating leaks incident to maintenance.
b. Cutting off mains without replacement. (Minor cuts not retired.)
c. Repairing leaking joints.
d. Repairing broken mains.
e. Repairing leaks on main drip riser or valve test pipe.
f. Bringing main valve box, main drip riser box, valve test pipe box, or pressure pipe roadway box up to grade.
g. Cleaning, repainting, coating, and wrapping exposed mains.
h. Repacking main valves.
i. Locating and clearing gas main faults.
j. Lowering and changing location of mains.
k. Trenching, backfilling, cutting-in or removal of pipe not retired in connection with the installation of leak clamps, valves, or drips.
l. Watching and lamping open cuts associated with maintenance.
m. Restoration of permanent pavement in connection with work chargeable to maintenance.
n. Emergency stand-by time associated with maintenance.
o. Repairing sewers, drains, walls, etc., when damaged by maintenance work.
p. Making electrolysis tests to maintain life of plant.
q. Repairing property of others damaged by maintenance work.

888 Maintenance of compressor station equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 377, Compressor Station Equipment. (See operating expense instruction 2.)

889 Maintenance of measuring and regulating station equipment—general.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 378, Measuring and Regulating Station Equipment—General. (See operating expense instruction 2.)

890 Maintenance of measuring and regulating station equipment—industrial.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 385, Industrial Measuring and Regulating Station Equipment. (See operating expense instruction 2.)

891 Maintenance of measuring and regulating station equipment—city gate check stations.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 379, Measuring and Regulating Station Equipment—City Gate Check Stations. (See operating expense instruction 2.)

892 Maintenance of services.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of services, the book cost of which is includible in account 380, Services. (See operating expense instruction 2.)

ITEMS

1. Supervising.
2. Testing pipe for leaks and condition of wrapping.
3. Testing for, locating, and clearing trouble on company maintained services.
4. Inspecting and testing after repairs have been made.
5. Reporting on the condition of gas services to determine the need for repairs.
6. Making minor repairs and changes.
7. Rearranging and changing the location of services not retired.
8. Repairing service valves for reuse.
9. Stopping leaks on service pipes and drip risers.
10. Lowering and raising curb boxes to grade.
11. Replacing less than a complete service, when not retired.
12. Installing fittings, valves, drips, frost protection devices, or replacing similar items on existing services.
13. Cutting and replacing pavement, pavement base and sidewalks in connection with maintenance work.
14. Restoring condition of services damaged by fire, storm, leakage, flood, accident or other casualties.
15. Repairing property of others damaged by maintenance work.
16. Transferring services in connection with the installation of new mains.
17. Installing, maintaining, and removing temporary facilities to prevent the interruption of service.
18. Converting low pressure gas distribution service to medium or high pressure service.
19. Relocating and rerouting gas service temporarily during alterations of buildings.
20. Performing work resulting from municipal improvements, such as street widening, sewers, etc.
21. Replacing service valve box or drip riser box.
22. Installing, removing or replacing service valve, drip pot, or drip riser.
23. Repacking service valve.

893 Maintenance of meters and house regulators.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and house regulators, the book cost of which is includible in accounts 381, Meters, and 383, House Regulators. (See operating expense instruction 2.)

ITEMS

1. Inspecting and testing meters and house regulators on customers' premises or in shops in connection with repairs.
2. Cleaning, repairing, and painting meters, house regulators, and accessories and equipment.
3. Repairing testing equipment.
4. Rebuilding and overhauling meters without changing their rated capacities.
5. Resealing house regulators with mercury, replacing diaphragms, springs and other defective or worn parts.
6. Replacing or adding any item not constituting a retirement unit.

894 Maintenance of other equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of street lighting equipment and all other distribution system equipment not provided for elsewhere, the book cost of which is includible in accounts 386, Other Property on Customers' Premises, and 387, Other Equipment. (See operating expense instruction 2.)

6. CUSTOMER ACCOUNTS EXPENSES

Operation

901 Supervision.

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer accounting and collecting activities. Direct supervision of a specific activity shall be charged to account 902, Meter Reading Expenses, or account 903, Customer Records and Collection Expenses, as appropriate. (See operating expense instruction 1.)

902 Meter reading expenses.

This account shall include the cost of labor, materials used and expenses incurred in reading customer meters, and determining consumption when performed by employees engaged in reading meters.

ITEMS

Labor:

1. Addressing forms for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Meter reading—small consumption, and obtaining load information for billing purposes. (Exclude and charge to account 878, Meter and House Regulator Expenses, or to account 903, Customer Records and Collection Expenses, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing or locking, and disconnecting, or reconnecting meters.)
5. Measuring gas—large consumption, including reading meters, changing charts, calculating charts, estimating lost meter registrations, determining specific gravity, etc., for billing purposes.
6. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
7. Collecting from prepayment meters when incidental to meter reading.
8. Maintaining record of customers' keys.
9. Computing estimated or average consumption when performed by employees engaged in reading meters.

Materials and expenses:

10. Badges, lamps, and uniforms.
11. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.
12. Postage and supplies used in obtaining meter readings by mail.
13. Transportation, meals, and incidental expenses.

903 Customer records and collection expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

ITEMS

Labor:

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.
3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.
4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.
5. Preparing address plates and addressing bills and delinquent notices.
6. Preparing billing data.
7. Operating billing and bookkeeping machines.
8. Verifying billing records with contracts or rate schedules.
9. Preparing bills for delivery, and mailing or delivering bills.
10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.
11. Balancing collections, preparing collections for deposit, and preparing cash reports.
12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.
13. Balancing customer accounts and controls.
14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.
15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.
16. Disconnecting and reconnecting services because of nonpayment of bills.
17. Receiving, recording, and handling of inquiries, complaints, and requests for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.
19. Preparing and periodically rewriting meter reading sheets.
20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

Materials and expenses:
21. Address plates and supplies.
22. Cash overages and shortages.
23. Commissions or fees to others for collecting.
24. Payments to credit organizations for investigations and reports.
25. Postage.
26. Transportation expenses, including transportation of customer bills and meter books under centralized billing procedure.
27. Transportation, meals, and incidental expenses.
28. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
29. Forms for recording orders for services, removals, etc.
30. Rent of mechanical equipment.

NOTE: The cost of work on meter history and meter location records is chargeable to account 878, Meter and House Regulator Expenses.

904 Uncollectible accounts.

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts—Credit. Losses from uncollectible accounts shall be charged to account 144.

905 Miscellaneous customer accounts expenses.

This account shall include the cost of labor, materials used and expenses incurred not provided for in other accounts.

ITEMS

Labor:
1. General clerical and stenographic work.
2. Miscellaneous labor.

Materials and expenses:
3. Communication service.
4. Miscellaneous office supplies and expenses and stationery and printing other than those specifically provided for in accounts 902 and 903.

7. SALES EXPENSES

Operation

911 Supervision.

This account shall include the cost of labor and expenses incurred in the general direction and supervision of sales activities, except merchandising. Direct supervision of a specific activity, such as demonstrating, selling, or advertising shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 1.)

912 Demonstrating and selling expenses.

This account shall include the cost of labor, materials used and expenses incurred in promotional, demonstrating, and selling activities, except by merchandising, the object of which is to promote or retain the use of utility services by present and prospective customers.

ITEMS

Labor:
1. Demonstrating uses of utility services.
2. Conducting cooking schools, preparing recipes, and related home service activities.
3. Exhibitions, displays, lectures, and other programs designed to promote use of utility services.
4. Experimental and development work in connection with new and improved appliances and equipment, prior to general public acceptance.
5. Solicitation of new customers or of additional business from old customers, including commissions paid employees.
6. Engineering and technical advice to present or prospective customers in connection with promoting or retaining the use of utility services.
7. Special customer canvasses when their primary purpose is the retention of business or the promotion of new business.

Materials and expenses:
8. Supplies and expenses pertaining to demonstration, and experimental and development activities.
9. Booth and temporary space rental.
10. Loss in value on equipment and appliances used for demonstration purposes.
11. Transportation, meals, and incidental expenses.

913 Advertising expenses.

This account shall include the cost of labor, materials used and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise by the utility.

ITEMS

Labor:
1. Direct supervision of department.
2. Preparing advertising material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail advertising.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of sales advertising.

Materials and expenses:
7. Advertising in newspapers, periodicals, billboards, radio, etc., for sales promotion purposes, but not including institutional or goodwill advertising includible in account 930, Miscellaneous General Expenses.
8. Materials and services given as prizes or otherwise in connection with canning, or cooking contests, bazaars, etc., in order to publicize and promote the use of utility services.
9. Fees and expenses of advertising agencies and commercial artists.
10. Novelties for general distribtuion.
11. Postage on direct mail advertising.
12. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.
13. Printing booklets, dodgers, bulletins, etc.
14. Supplies and expenses in preparing advertising material.
15. Office supplies and expenses.

NOTE A: The cost of advertisements which set forth the value or advantages of utility service without reference to specific appliances, or, if reference is made to appliances, invites the reader to purchase appliances from his dealer, or refer to appliances not carried for sale by the utility, shall be considered sales promotion advertising and charged to this account. However, advertisements which are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, shall be considered as merchandise advertising and the cost shall be charged to Costs and Expenses of Merchandising, Jobbing and Contract Work, accounts 416 or 915, as appropriate.

NOTE B: Advertisements which substantially mention or refer to the value or advantages of utility service, together with specific reference to makes of appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, shall be considered as a combination advertisement and the costs shall be distributed between this account and accounts 416 or 915, as appropriate, on the basis of the estimated space used for each purpose.

NOTE C: Exclude from this account and charge to account 930, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all institutional or good will advertising. (See account 930, Miscellaneous General Expenses.)

914 Revenues from merchandising, jobbing, and contract work.

915 Costs and expenses of merchandising, jobbing, and contract work.

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

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

NOTE: Revenues and expenses of merchandising, jobbing, and contract work shall be reported in this account, if a state regulatory body having jurisdiction over the utility requires such income to be reported as an operating expense item; but the revenues and expenses shall be reported in accounts 415 and 416, if such regulatory body requires the net income to be reported as nonoperating income. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 415 and 416 at its option in which case the practice of the utility must be consistent.

ITEMS

ACCOUNT 914

1. Revenues from sale of merchandise and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

ACCOUNT 915

Labor:
1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
2. Demonstrating and selling activities in sales rooms.
3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
4. Installing pipe, or other property work on a jobbing or contract basis.
5. Preparing advertising materials for appliance sales purposes.
6. Receiving and handling customer orders for merchandise or for jobbing services.
7. Cleaning and tidying sales rooms.
8. Maintaining display counters and other equipment used in merchandising.
9. Arranging merchandise in sales rooms and decorating display windows.
10. Reconditioning repossessed appliances.
11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.
12. Supervising merchandise and jobbing operations.

Materials and expenses:
13. Advertising in newspapers, periodicals, radio, television, etc.
14. Cost of merchandise sold and of materials used in jobbing work.
15. Stores expenses on merchandise and jobbing stocks.
16. Fees and expenses of advertising and commercial artists' agencies.
17. Printing booklets, dodgers, and other advertising data.
18. Premiums given as inducement to buy appliances.
19. Light, heat, and power.
20. Rent of sales rooms or of equipment.
21. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.
22. Stationery and office supplies and expenses.
23. Taxes directly assignable to merchandise and jobbing operations.
24. Losses from uncollectible merchandise and jobbing accounts.

916 Miscellaneous sales expenses.

This account shall include the cost of labor, materials used and expenses incurred in connection with sales activities, except merchandising, which are not includible in other sales expense accounts.

ITEMS

Labor:
1. General clerical and stenographic work not assigned to specific functions.
2. Special analysis of customer accounts and other statistical work for sales purposes not a part of the regular customer accounting and billing routine.
3. Miscellaneous labor.

Materials and expenses:
4. Communication service.
5. Printing, postage, and office supplies and expenses applicable to sales activities, except those chargeable to account 913, Advertising Expenses.

8. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

920 Administrative and general salaries.

A. This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operating function.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

921 Office supplies and expenses.

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

NOTE. Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function shall be included in account 930, Miscellaneous General Expenses.

ITEMS

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.
7. Membership fees and dues in trade, technical, and professional associations paid by utility for employees. (Company memberships are includible in account 930.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees, and other expenses of legal department.
10. Postage, printing and stationery.
11. Meals, traveling and incidental expenses.

922 Administrative expenses transferred—credit.

This account shall be credited with administrative expenses recorded in accounts 920 and 921 which are transferred to construction costs or to nonutility accounts. (See Gas plant instruction 4.)

923 Outside services employed.

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered as an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

ITEMS

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
2. Supervision fees and expenses paid under contracts for general management services.

NOTE: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

924 Property insurance.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations. It shall include also the cost of labor and related supplies and expenses incurred in property insurance activities.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

ITEMS

1. Premiums payable to insurance companies for fire, storm, burglary, boiler explosion, lightning, fidelity, riot, and similar insurance.
2. Amounts credited to account 261, Property Insurance Reserve, for similar protection.
3. Special costs incurred in procuring insurance.
4. Insurance inspection service.
5. Insurance counsel, brokerage fees, and expenses.

NOTE A: The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

NOTE B: The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated.

(1) Materials and supplies and stores equipment, to account 163, Stores Expense or appropriate materials account.

(2) Transportation and other general equipment to appropriate clearing accounts that may be maintained.

(3) Gas plant leased to others, to account 413, Expenses of Gas Plant Leased to Others.

(4) Nonutility property, to the appropriate nonutility income account.

(5) Merchandise and jobbing property, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or account 915, as appropriate.

NOTE C: The cost of labor and related supplies and expenses of administrative and general employees, who are only incidentally engaged in property insurance work, may be included in accounts 920 and 921, as appropriate.

925 Injuries and damages.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims. It shall also include the cost of labor and related supplies and expenses incurred in injuries and damages activities.

B. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

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1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 262, Injuries and Damages Reserve, for similar protection.
2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.
3. Fees and expenses of claim investigators.
4. Payment of awards to claimants for court costs and attorneys' services.

5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.
6. Compensation payments under workmen's compensation laws.
7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)
8. Cost of safety, accident prevention and similar educational activities.

NOTE A: Payments to or in behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of ocupational injuries, shall be charged to account 926, Employee Pensions and Benefits. (See also Note B of account 926.)

NOTE B: The cost of injuries and damages or reserve accruals capitalized shall be charged to construction directly or by transfer to construction work orders from this account.

NOTE C: Exclude herefrom the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

NOTE D: The cost of labor and related supplies and expenses of administrative and general employees, who are only incidentally engaged in injuries and damages activities, may be included in accounts 920 and 921, as appropriate.

926 Employee pensions and benefits.

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for this purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payments for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, educational or recreational activities for the benefit of employees, and administrative expenses in connection with employee pensions and benefits.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the accounts involved and are not included herein in the first instance.

D. Records in support of this account shall be so kept that the total pensions expense, the total benefits expense, the administrative expenses included herein, and the amounts of pensions and benefits expenses transferred to construction or other accounts will be readily available.

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1. Payment of pensions under a nonaccrual or nonfunded basis.
2. Accruals for or payments to pension funds or to insurance companies for pension purposes.
3. Group and life insurance premiums (credit dividends received).
4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.
5. Payments for accident, sickness, hospital, and death benefits or insurance.
6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.
7. Expenses in connection with educational and recreational activities for the benefit of employees.

NOTE A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities, may be included in accounts 920 and 921, as appropriate.

NOTE B: Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.

927 Franchise requirements.

A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements; provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, utility service furnished without charge under provisions of franchises.

B. When no direct outlay is involved, concurrent credit for such charges shall be made to account 929, Duplicate Charges—Cr.

C. The account shall be maintained so as to readily reflect the amounts of cash outlays, utility service supplied without charge, and other items furnished without charge.

NOTE A: Franchise taxes shall not be charged to this account but to account 408, Taxes Other Than Income Taxes.

NOTE B: Any amount paid as initial consideration for a franchise running for more than one year shall be charged to account 302, Franchises and Consents.

928 Regulatory commission expenses.

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees.

B. Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to account 186, Miscellaneous Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

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1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.
2. Office supplies and expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

NOTE A: Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

NOTE B: Do not include in this account amounts includible in account 302, Franchises and Consents, account 181, Unamortized Debt Discount and Expense, or account 214, Capital Stock Expense.

929 Duplicate charges—credit.

This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of utility service from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay.

930 Miscellaneous general expenses.

This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

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Labor:
1. Miscellaneous labor not elsewhere provided for:

Expenses:
2. Industry Association dues for company memberships.
3. Contributions for conventions and meetings of the industry.
4. Experimental and general research work for the industry.
5. Communication service not chargeable to other accounts.
6. Trustee, registrar, and transfer agent fees and expenses.
7. Stockholders meeting expenses.
8. Dividend and other financial notices.
9. Printing and mailing dividend checks.
10. Directors' fees and expenses.
11. Publishing and distributing annual reports to stockholders.
12. Institutional or good will advertising.
13. Public notices of financial, operating, and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

931 Rents.

This account shall include rents properly includible in utility operating expenses for the property of others used, occupied, or operated in connection with the customer accounts, sales, and general and administrative functions of the utility. (See operating expense instruction 3.)

Maintenance

932 Maintenance of general plant.

A. This account shall include the cost assignable to customer accounts, sales and administrative and general functions of labor, materials used and expenses incurred in the maintenance of property, the book cost of which is includible in account 390, Structures and Improvements, account 391, Office Furniture and Equipment, account 397, Communication Equipment, and account 398,

Miscellaneous Equipment. (See operating expense instruction 2.)

B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

Manufactured Gas Production, account 708, 742.

Natural Gas Production and Gathering, account 769.

Natural Gas Products Extraction, account 791.

Underground Storage, account 837.

Local Storage, account 846.

Transmission Expenses, account 867.

Distribution Expenses, account 894.

Merchandise and Jobbing, account 416 or account 915.

Garages, Shops, etc., appropriate clearing account, if used.

NOTE. Maintenance of plant included in other general equipment accounts shall be included herein unless charged to clearing accounts or to the particular functional maintenance expense account indicated by the use of the equipment.

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