OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

1. PRODUCTION EXPENSES

A. Manufactured Gas Production Expenses

A.1. Steam Production

Operation

700. Operation Supervision and Engineering
701. Operation Labor
702. Boiler Fuel
703. Miscellaneous Steam Expenses
704. Steam Transferred—Cr.

Maintenance

705. Maintenance Supervision and Engineering
706. Maintenance of Structures and Improvements
707. Maintenance of Boiler Plant Equipment
708. Maintenance of Other Steam Production Plant

A.2. Manufactured Gas Production

Operation

710. Operation Supervision and Engineering

Production Labor and Expenses

711. Steam Expenses
712. Other Power Expenses
713. Coke Oven Expenses
714. Producer Gas Expenses
715. Water Gas Generating Expenses
716. Oil Gas Generating Expenses
717. Liquefied Petroleum Gas Expenses
718. Other Process Production Expenses

Gas Fuels

719. Fuel Under Coke Ovens
720. Producer Gas Fuel
721. Water Gas Generator Fuel

722. Fuel for Oil Gas
723. Fuel for Liquefied Petroleum Gas Process
724. Other Gas Fuels

Gas Raw Materials

725. Coal Carbonized in Coke Ovens
726. Oil for Water Gas
727. Oil for Oil Gas
728. Liquefied Petroleum Gas
729. Raw Materials for Other Gas Processes
730. Residuals Expenses
731. Residuals Produced—Credit
732. Purification Expenses
733. Gas Mixing Expenses
734. Duplicate Charges—Credit
735. Miscellaneous Production Expenses
736. Rents

Maintenance

740. Maintenance Supervision and Engineering
741. Maintenance of Structures and Improvements
742. Maintenance of Production Equipment

B. Natural Gas Production Expenses

B.1. Natural Gas Production and Gathering

Operation

750. Operation Supervision and Engineering
751. Production Maps and Records
752. Gas Wells Expenses
753. Field Lines Expenses
754. Field Compressor Station Expenses
755. Field Compressor Station Fuel and Power
756. Field Measuring and Regulating Station Expenses
757. Purification Expenses
758. Gas Well Royalties
759. Other Expenses
760. Rents

Maintenance

761. Maintenance Supervision and Engineering
762. Maintenance of Structures and Improvements
763. Maintenance of Producing Gas Wells

764. Maintenance of Field Lines
765. Maintenance of Field Compressor Station Equipment
766. Maintenance of Field Meas. and Reg. 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 Storage–Debit
809. Gas Delivered to 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. NATURAL GAS STORAGE EXPENSES

A. 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 Reservoirs and Wells

833. Maintenance of Lines
834. Maintenance of Compressor Station Equipment
835. Maintenance of Measuring and Regulating Station Equipment
836. Maintenance of Purification Equipment
837. Maintenance of Other Equipment

B. Other Storage Expenses

Operation

840. Operation Supervision and Engineering
841. Operation Labor and Expenses
842. Rents
842.1 Fuel
842.2 Power
842.3 Gas Losses

Maintenance

843. Maintenance Supervision and Engineering
844. Maintenance of Structures and Improvements
845. Maintenance of Gas Holders
846. Maintenance of Purification Equipment
847. Maintenance of Liquefaction Equipment
848. Maintenance of Vaporizing Equipment
848.1 Maintenance of Compressor Equipment
848.2 Maintenance of Measuring and Regulating Equipment
848.3 Maintenance of Other Equipment

3. 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 Communication Equipment
867. Maintenance of Other Equipment

4. 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

5. CUSTOMER ACCOUNTS EXPENSES

Operation

901. Supervision

902. Meter Reading Expenses
903. Customer Records and Collection Expenses
904. Uncollectible Accounts
905. Miscellaneous Customer Accounts Expenses

6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES

Operation

907. Supervision
908. Customer Assistance Expenses
909. Conservation, Environmental and Informational Advertising Expenses
909.1 Conservation Advertising Expenses
909.2 Environmental Advertising Expenses
909.3 Informational Consumer Advertising Expenses
910. Miscellaneous Customer Service and Informational Expenses

7. SALES EXPENSES

Operation

911. Supervision
912. Demonstrating and Selling 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–Cr.
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–Cr.
930. Miscellaneous General Expenses
931. Rents

Maintenance

932. Maintenance of General Plant

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

1. PRODUCTION EXPENSES

A. Manufactured Gas Production Expenses

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 Stock 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 includable 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. Maufactured 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 levelling 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 auxiliaries):
   a. Inspecting, testing, clinkering, lighting and starting up.
   b. Controlling fire and heats with fuel charges, barring and rodding fires, operating grates and jackets, taking stains, observing pyrometers, pressures, seal pot water flow and stack gases, regulating input materials such as coke, oil, natural gas, steam and air.
   c. Making required flow rate and operating cycle changes.
   d. Cleaning and removing ashes, carbon, and sediment from the set and connections, the wash box, seal pot, oil spray, duck 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 belt.
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 dervatives such as propane, butane or gasoline exclusive of cost of the materials vaporized or used for fuel in the vaporizing process.

ITEMS

Labor:

1. Supervising.
2. Operating, cleaning and lubricating liquid petroleum vaporizers and injectors.
3. Taking pressures and temperatures, and reading gauges on storage tanks.
4. Inspecting and testing equipment and setting and adjusting controls and regulators.
5. Watching pressure gauges, maintaining pressures and relieving excess pressures through lines.
6. Repressuring storage tanks.

Materials and Expenses:

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

718. Other Process Production Expenses.

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

719. Fuel Under Coke Ovens.

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

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

ITEMS

1. Gas made by the utility and used under coke ovens.
2. Natural and other purchased gas used under coke ovens.

720. Producer Gas Fuel.

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

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

NOTE.—The cost of fuel and related fuel stock expenses shall be charged initially to the appropriate fuel accounts carried under accounts 151, Fuel Stock, 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 includable 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 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 accounts carried under accounts 151, Fuel Stock, 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 includable 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 Stock 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 includable 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 Stock, 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 includable 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 Stock, 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 includable 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 Stock, 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 includable items of fuel and 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 foreging 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 Stock, 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 cost and includable 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 napthalene 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 napthalene scrubber.
14. Sulphuric acid.

733. Gax 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 manufactured 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 operating 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 maintenance of which is includible in accounts

707, Maintenance of Boiler Plant Equipment, and 708, Maintenance of Other Steam Production Plant. (See operating expense instruction 2.)

B. Natural Gas Production Expenses

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 Stock, 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 includable 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 expenses.
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 classificaton 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.

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 Produced by Others.

A. This account shall include the cost of gas shrinkage, gas consumed or 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 paragraph B of account 491, Revenues from Natural Gas Processed by Others.)

ITEMS

1. Gas shrinkage, being cost of the 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, quality, 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 Produced Used by the Utility—Cr.

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 utility 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, Property 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—Cr.

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 Storage–Debit.

A. This account shall include debits for the cost of gas withdrawn from storage during the year. Contra credits for entries to this account shall be made to account 117, Gas Stored Underground–Noncurrent or Liquefied Natural Gas Stored, as appropriate.

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 439, Adjustments to Retained Earnings. (See general instruction, 7.1, Prior Period Items.) The utility may, with approval of the Commission, amortize the amount of the adjustment to account 823 over future operating periods.

809. Gas Delivered to Storage–Credit.

A. This account shall include credits for the cost of gas delivered to storage during the year. Contra debits for entries to this account shall be made to account 117, Gas Stored Underground–Noncurrent or Liquefied Natural Gas Stored, as appropriate.

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. NATURAL GAS STORAGE EXPENSES

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

A. 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.