8. Testing, checking and adjusting meters, gauges and other instruments, controls, etc., in the pumping plant.
9. Cleaning pumping equipment when not incidental to maintenance work.

Materials and Expenses (other than power purchased):

10. Lubricants, waste, gaskets, etc.
11. Transportation, meals and incidental expenses.

625. Expenses Transferred—Cr.

A. This account shall include credits for expenses of power production or pumping which are charged to others or to other departments under a joint operating arrangement. Include also credits for expenses chargeable to other water accounts outside the pumping group. Full details of the basis of determination of the costs transferred shall be maintained.

B. If the charges to others or to other departments of the utility include an amount for depreciation, taxes and return on the joint facilities, such portion of the charge shall be credited, in the case of others, to account 472, Rents from Water Property, and in the case of other departments of the utility, to account 473, Inter-departmental Rents.

626. Miscellaneous Expenses.

This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other pumping expense accounts.

ITEMS

Labor:

1. General clerical and stenographic work.
2. Guarding and patrolling plant and yard
3. Building service.
4. Care of grounds including snow removal, cutting grass, etc.
5. Miscellaneous labor.

Materials and Expenses:

6. General operating supplies, such as tools, gaskets, packing waste, gauge glasses, hose, indicating lamps, record and report forms, etc.
7. First aid supplies and safety equipment.
8. Building service supplies.
9. Utility service.
10. Miscellaneous office supplies and expenses, printing and stationery.
11. Transportation, meals, and incidental expenses.

627. Rents.

This account shall include all rents of property of others used, occupied or operated in connection with the pumping of water. (See Operating Expense Instruction 3.)

Maintenance

630. Maintenance Supervision and Engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of power production and pumping plant. Direct supervision of specific maintenance work shall be charged to the appropriate maintenance account. (See Operating Expense Instruction 1.)

631. 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 connection with pumping, the book cost of which is includible in account 321, Structures and Improvements, and of similar property leased from others. (See Operating Expense Instruction 2.)

632. Maintenance of Power Production Equipment.

A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of power production equipment used directly in pumping operations, the book cost of which is includible in accounts 322, Boiler Plant Equipment, and 323, Other Power Production Equipment, and of similar equipment leased from others.

B. For the purpose of making charges hereto and to account 633, Maintenance of Pumping Equipment, the point at which power production plant is distinguished from pumping equipment is defined as follows:

1. Inlet flange of throttle valve on prime mover.
2. Flange of all steam extraction lines on prime mover.
3. Hotwell pump outlet on condensate lines.
4. Inlet flange of all turbine room auxiliaries.
5. Connection to line side of motor starter for all boiler plant equipment.
6. Connection of electric power transmission lines to pump equipment controls.

633. Maintenance of Pumping Equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of pumping equipment, the book cost of which is includible in account 324, Steam Pumping Equipment, 325, Electric Pumping Equipment, 326, Diesel Pumping Equipment, 327, Hydraulic Pumping Equipment, and 328, Other Pumping Equipment, and of similar equipment leased from others, and any general or other plant the maintenance of which is assignable to the pumping function and is not provided for elsewhere. (See paragraph B of account 632, Maintenance of Power Production Equipment.)

3. WATER TREATMENT EXPENSES

Operation

640. 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 water treatment facilities. Direct supervision of specific activities shall be charged to the appropriate account. (See Operating Expense Instruction 1.)

641. Chemicals.

This account shall include the cost of all chemicals used in the treatment of water. Include also the entire cost of any chemicals manufactured by the utility.

ITEMS

1. Activated carbon.
2. Ammonia.
3. Caustic soda.
4. Chlorine.
5. Copper sulphate.
6. Fluorine compounds.
7. High test hypochlorite.
8. Iron sulphate.
9. Lime.
10. Soda ash.
11. Sodium chlorite.
12. Sulphate of alumina.
13. Sulphuric acid.
14. Other chemicals.

642. Operation Labor and Expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of the water treatment plant.

ITEMS

Labor:

1. Applying chemicals.
2. Cleaning basins.
3. Operating filters.
4. Removing ice.
5. Removing sediment.
6. Washing filters.
7. Operating water softening plant.
8. Operating fluoridation plant.
9. Testing and analyzing.

Materials and Expenses:

10. Charts.
11. Lubricants, waste, etc.
12. Shop and laboratory expenses.
13. Transportation, meals and incidental expenses.
14. Utility service.

643. Miscellaneous Expenses.

This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other water treatment operation expense account.

ITEMS

Labor:

1. General clerical and stenographic work.
2. Guarding and patrolling.
3. Building service.
4. Care of grounds including snow removal, cutting grass, etc.
5. Miscellaneous labor.

Materials and Expenses:

6. General operating supplies.
7. First aid supplies and safety equipment.
8. Building service supplies.
9. Utility service.
10. Miscellaneous office supplies and expenses, printing and stationery.
11. Transportation, meals and incidental expenses.

644. Rents.

This account shall include all rents of property of others used, occupied or operated in connection with water treatment. (See Operating Expense Instruction 3.)

Maintenance

650. Maintenance Supervision and Engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of water treatment plant. Direct supervision of specific jobs shall be charged to the appropriate maintenance account. (See Operating Expense Instruction 1.)

651. 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 account 331, Structures and Improvements, and of similar property leased from others. (See Operating Expense Instruction 2.)

652. Maintenance of Water Treatment Equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of water treatment equipment, the book cost of which is includible in account 332, Water Treatment Equipment, and of similar equipment leased from others. Include also any general or other plant the maintenance of which is assignable to the water treatment function and is not provided for elsewhere. (See Operating Expense Instruction 2.)

4. TRANSMISSION AND DISTRIBUTION EXPENSES

Operation

660. 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 the transmission and distribution system. Direct supervision of specific activities shall be charged to the appropriate account. (See Operating Expense Instruction 1.)

661. Storage Facilities Expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of distribution reservoirs, tanks and standpipes.

ITEMS

Labor:

1. Supervising operation of storage facilities.
2. Routine inspection of storage facilities.
3. Operating and lubricating gates and valves.
4. Adjusting rust-proofing and signal equipment.
5. Keeping records and preparing reports.
6. Care of grounds around storage facilities.
7. Cleaning and flushing of storage facilities.

Materials and Expenses:

8. Operating supplies, such as lubricants, waste, meter and gauge charts, etc.
9. Records and report forms.
10. Utility services.
11. Tool expense.
12. Transportation, meals and incidental expenses.

662. Transmission and Distribution Lines Expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of transmission and distribution mains, fire mains, services and hydrants.

ITEMS

Labor:

1. Supervising operation of mains, services and hydrants.
2. Routine patrolling.
3. Electrolysis and soil corrosion investigations and tests.
4. Operating and lubricating gates and valves.
5. Observing and recording pressure.
6. Flushing mains and hydrants.
7. Reading and changing charts in master meters.

Materials and Expenses:

8. Operating materials, such as lubricants, waste, meter and gauge charts, etc.
9. Tool expense.
10. Transportation, meals and incidental expenses.

663. Meter Expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of customer meters and associated equipment.

ITEMS

Labor:

1. Supervising meter operation.
2. Removing and resetting, disconnecting and reconnecting, changing and relocating meters and associated equipment, except the cost of the first testing and setting of a meter which shall be charged to utility plant account 346, Meters, and 347, Meter Installations.
3. Turning on and shutting off service even though a meter is not installed or removed (other than shutting off for nonpayment of bills.)
4. Inspecting and testing meters on premises or in shops other than that incidental to maintenance.
5. Inspecting and adjusting meter testing equipment.
6. Clerical work on meter history record cards, test cards and reports.

Materials and Expenses:

7. Meter seals and miscellaneous meter supplies.
8. Record and report forms and office supplies for the meter department.
9. Utility services for meter department.
10. Tool expense.
11. Transportation, meals and incidental expenses.

664. Customer Installations Expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer installations and in inspecting premises and in rendering services to customers of the nature of those indicated by the list of items hereunder.

ITEMS

Labor:
1. Supervising customer installations work.
2. Testing, inspecting, adjusting, and repairing customers' plumbing and fixtures.
3. Testing and inspecting services installed by the customer.
4. Investigating and adjusting customers' service complaints.
5. Changing customers' house piping for the convenience of the utility.

Materials and Expenses:
6. Materials used in servicing customers' plumbing and fixtures.
7. Tool expense.
8. Transportation, meals and incidental expenses.

NOTE A.—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 shall be transferred to account 471, Miscellaneous Service Revenues.

NOTE B.—Do not include in this account expenses incurred in connection with merchandising, jobbing and contract work.

665. Miscellaneous Expenses.

This account shall include the cost of labor, materials used and expenses incurred in transmission and distribution system operation not provided for elsewhere.

ITEMS

Labor:
1. Preparing maps and prints.
2. General clerical and stenographic work, except that chargeable to account 663, Meter Expenses.
3. Service interruption and trouble records.
4. Operating records, but not plant accounting, covering mains, services, hydrants, valves, and other transmission and distribution facilities. Exclude meter records chargeable to account 663, Meter Expenses.
5. Building service.
6. Miscellaneous labor not provided for elsewhere.

Materials and Expenses:
7. Map and record supplies.
8. Printing, stationery, supplies and expenses, except that chargeable to account 663, Meter Expenses.
9. Building service supplies.
10. Utility services.
11. First-aid supplies.
12. Transportation, meals and incidental expenses.

666. Rents.

This account shall include all rents of property of others used, occupied, or operated in connection with the transmission and distribution system. (See Operating Expense Instruction 3.)

Maintenance

670. Maintenance Supervision and Engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of the transmission and distribution system. Direct supervision of specific jobs shall be charged to the appropriate maintenance account. (See Operating Expense Instruction 1.)

671. 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 account 341, Structures and Improvements, and of similar property leased from others. (See Operating Expense Instruction 2.)

672. Maintenance of Distribution Reservoirs and Standpipes.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of distribution reservoirs, tanks, standpipes, and related facilities, the book cost of which is includible in account 342, Distribution Reservoirs and Standpipes, and of similar property leased from others. (See Operating Expense Instruction 2.)

673. Maintenance of Transmission and Distribution 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 343, Transmission and Distribution Mains, and of similar property leased from others. (See Operating Expense Instruction 2.)

NOTE.—When a main is changed in grade or is relocated, the original installed cost of the main shall be credited to utility plant and charged to the accumulated provision for depreciation. The original material cost of the main shall then be credited to the accumulated provision for depreciation and charged to utility plant together with the current installation cost of placing the main at the new level or location. The excess of the actual removal and relocation costs of the job over the amount of installation costs includible in utility plant as aforesaid shall be charged to accumulated provision for depreciation, and such charges shall be considered in determining the annual provision for depreciation.

674. Maintenance of Fire Mains.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of Fire Mains, the book cost of which is includible in account 344, Fire Mains, and of similar property leased from others. (See Operating Expense Instruction 2 and account 673.)

675. 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 345, Services, and of similar property leased from others. (See Operating Expense Instruction 2.)

676. Maintenance of Meters.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and meter testing equipment, the book cost of which is includible in account 346, Meters, account 347, Meter Installations, account 395, Laboratory Equipment, and of similar property leased from others. (See Operating Expense Instruction 2.)

677. Maintenance of Hydrants.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of fire hydrants and associated equipment, the book cost of which is includible in account 348, Hydrants, and of similar property leased from others. (See Operating Expense Instruction 2.)

678. Maintenance of Miscellaneous Plant.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 349, Other Transmission and Distribution Plant, and any general or other plant the maintenance of which is assignable to the transmission and distribution function and is not provided for elsewhere. (See Operating Expense Instruction 2.)

5. 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. Checking seals, etc. when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Reading meters for billing purposes. Exclude and charge to account 663, Meter 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. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
6. Collecting from prepayment meters when incidental to meter reading.
7. Maintaining record of customers' keys.
8. Computing estimated or average consumption when performed by employees engaged in reading meters.

Materials and Expenses:

9. Badges, lamps, and uniforms.
10. Meter books and binders and forms for recording readings, but not the cost of preparation.
11. Postage and supplies used in obtaining meter readings by mail.
12. 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 service 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 analysis 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 663, Meter 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—Cr. 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.

6. SALES EXPENSES

Operation

910. Sales Expenses.

This account shall include the cost of supervising and directing the sales department, salaries and commissions for soliciting business, sales advertising expenses, and miscellaneous supplies and expenses incurred in sales activities.

NOTE.—Where sales activities of the utility are minor and the expenses are not material, this account need not be maintained, in which event the expenses shall be charged to the administrative and general expense account appropriate for the nature of the expense.

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 A.—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 such 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.

NOTE B.—Related operating taxes shall be recorded in account 408, Taxes Other Than Income Taxes, and income taxes shall be recorded in account 409, Income Taxes.

ITEMS

Account 914:

1. Charges for installing meters owned by customers.
2. Charges for tapping mains and installing services when not includible in account 345, Services.
3. Revenues from sales of meters to customers or others for installation on customers' premises.
4. Revenues from sale of water appliances and from piping and other jobbing or contract work.
5. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 915:

1. Cost of merchandise sold and of materials used for jobbing work, including transportation, storage and handling.
2. Payroll and related labor costs and expenses of employees engaged in selling, delivery, and installation of appliances or of jobbing or contract work.
3. Clerical labor and expenses in merchandise and jobbing activities.
4. Inventory adjustments applicable to merchandise and jobbing stock.
5. Light, heat and power.
6. Losses from uncollectible accounts.
7. Shop expenses.
8. Tool expenses.
9. Supervision of merchandise and jobbing activities.

7. 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 Other Expenses.

A. This account shall include office supplies and other 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 each functional 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 accounts.
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.
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—Cr.

This account shall be credited with administrative expenses recorded in accounts 920 and 921 which are transferred to construction costs or to nonutility accounts.

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 nor 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 other 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 fom 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 material account.
(2) Transportation and other general equipment, to appropriate clearing accounts that may be maintained.
(3) Utility plant leased to others, to account 413, Expenses of Utility 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 damage 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.

ITEMS

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damage, 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 on or leave of absence beyond periods normally allowed, when not the result of occupational 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 the 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.

ITEMS

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 account 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 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 report the cost of each formal case.

ITEMS

1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.
2. 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—Cr.

This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts of the utility 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.

ITEMS

Labor:

1. Miscellaneous labor not elsewhere provided for.
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 goodwill advertising. (See note below.)

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.

Note.—The cost of any advertising for the purpose of influencing public opinion as to the election of public officers, referenda, proposed legislation, proposed ordinances, repeal of existing laws or ordinances, approval or revocation of franchises, or for the purpose of influencing the public or its elected officials, in respect to political matters shall not be included herein but charged to account 426, Other Income Deductions.

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, and of similar property leased from others. Include, also the cost of repairing for reuse materials which previously were included in those accounts. (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:

Source of Supply	Account 617
Pumping	Account 633
Water Treatment	Account 652
Transmission and Distribution	Account 678
Merchandise and Jobbing	Account 416 or 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.