6. Chemical handling equipment.
7. Chlorine machines.
8. Coke.
9. Dry feed machines.
10. Dry storage bins.
11. Electrolytic cell.
12. Elevator (when not part of building.)
13. Fluoridation equipment.
14. Gauges.
15. Gravity feed or pump feed apparatus.
16. Motors.
17. Piping system, including valves.
18. Rate Controllers.
19. Sludge pumps.
20. Softening equipment.
21. Solution feed equipment.
22. Solution tanks.
23. Switchboards.
24. Weighing equipment.

Clear Water Basin:
1. Basin.
2. Gauges.
3. Piping system, including valves.
4. Substructures.

Filter Plant:
1. Air blower and compressor.
2. Filters.
3. Gauges.
4. Piping system.
5. Rate Controllers.
6. Sand, gravel or other filtering media.
7. Substructures.
8. Surface work equipment.
9. Valve control tables.
10. Valve operating mechanism.
11. Valves.
12. Wash troughs.
13. Wash water pumps.
14. Wash water tanks.

Mixing Chambers:
1. Piping system, including valves.
2. Chambers.
3. Mechanical mixers.

Sedimentation or Coagulation Basin:
1. Basins.
2. Coagulant storage tanks.
3. Feeder equipment.
4. Industrial railroad.

5. Mechanical mixers.
6. Orifice devices.
7. Piping system, including valves.
8. Screens and hoists.
9. Sludge removal apparatus.

Softening Plant:

1. Carbonating chambers and equipment.
2. Clear water basins.
3. Gauges.
4. Gravel.
5. Meters.
6. Mixing tanks and chambers.
7. Permanent chemical softening agents.
8. Piping system, including valves.
9. Salt solution or brine tanks and appurtenances.
10. Salt solution pumps.
11. Salt storage bins.
12. Sedimentation or coagulation basins.
13. Substructures.
14. Underdrain systems.
15. Wash water controllers.

NOTE.—Protecting superstructures shall be included in account 331, Structures and Improvements.

5. TRANSMISSION AND DISTRIBUTION PLANT

340. Land and Land Rights.

This account shall include the cost of land and land rights used in connection with transmission and distribution operations. (See Utility Plant Instruction 7.)

341. Structures and Improvements.

This account shall include the cost in place of structures and improvements, other than reservoirs and standpipes, used in connection with transmission and distribution operations. (See Utility Plant Instruction 8.)

342. Distribution Reservoirs and Standpipes.

This account shall include the cost in place of reservoirs, tanks, standpipes, and appurtenances used in storing water for distribution. (See Utility Plant Instruction 8.)

ITEMS

1. Aerators (when installed as an integral part of distribution reservoirs.)
2. Bridges and culverts.
3. Clearing land.

4. Dams.
5. Embankments.
6. Fences.
7. Foundations.
8. Gates and gate houses.
9. Landscaping.
10. Lighting systems.
11. Piping system within reservoirs.
12. Retaining walls.
13. Roads and paths.
14. Rust-proofing apparatus.
15. Sewers.
16. Spillways and channels.
17. Standpipes.
18. Superstructures.
19. Tanks.
20. Towers.
21. Valves and appurtenances.
22. Valve vaults and houses.
23. Water level control apparatus.

343. Transmission and Distribution Mains.

A. This account shall include the cost installed of transmission and distribution mains and appurtenances. (See Utility Plant Instruction 14 and note to account 673, Maintenance of Transmission and Distribution Mains.)

B. Records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

ITEMS

1. Air chambers.
2. Blow-offs and overflows.
3. Bridges and culverts.
4. Electrolysis control equipment.
5. Gauges and recorders.
6. Jointing and jointing material.
7. Manholes.
8. Meters and appurtenances.
9. Municipal inspection or permits.
10. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
11. Pipes.
12. Placing mains and accessories.
13. Pressure regulators.
14. Protection of street openings.
15. Shut-offs.
16. Special castings.

17. Sterilizing new mains.
18. Surge tanks.
19. Trenching, including shoring, bracing, bridging, pumping, backfill and disposal of excess excavated material.
20. Tunnels.
21. Valves and appurtenances.
22. Valve vaults.

344. Fire Mains.

This account shall include the cost installed of mains and appurtenances used exclusively for fire protection purposes. For items includible in this account see account 343. (See Utility Plant Instruction 14.)

345. Services.

A. This account shall include the cost installed of service pipes and accessories leading to the customers' premises.

B. A complete service begins with the connection on the main and extends to but does not include the connection with the customer's meter. A stub service extends from the main to the property line, or the curb stop.

ITEMS

1. Corporation stops or tees.
2. Gate valves and boxes.
3. Goose necks.
4. Jointing and jointing material.
5. Municipal inspection or permits.
6. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
7. Pipes.
8. Placing pipes and accessories.
9. Protection of street openings.
10. Service or curb boxes.
11. Service or curb stops.
12. Tapping main.

346. Meters.

A. This account shall include the cost of meters used for measuring the quantity of water delivered to users, whether actually in service or held in reserve.

B. When a meter is permanently retired from service, the amount at which it is included herein shall be credited to this account.

C. The records covering meters shall be so kept that the utility can furnish information as to the number of meters of each type and size in service and in reserve as well as the location of each meter included in this account.

ITEMS

1. Meters, including badging and initial testing.

347. Meter Installations.

A. This account shall include the cost of labor employed, materials used and expenses incurred in connection with the original installation of customers' meters.

B. When a meter installation is permanently retired from service, the cost thereof shall be credited to this account.

ITEMS

1. Meter yokes.
2. Meter fittings, connections and shelves.
3. Meter vaults or boxes.
4. Stops.

NOTE A.—The cost of removing and resetting meters shall be charged to account 663, Meter Expenses.

NOTE B.—The utility may include the cost of meter installations in account 346, Meters.

348. Hydrants.

A. This account shall include the cost installed of hydrants in service owned by the utility.

B. Records shall be kept so as to show number, size (nominal diameter of bottom connection), number and size of hose connections, diameter of main to which attached and type of hydrants classified as to public use and private use.

ITEMS

1. Connections to main.
2. Excavation, backfill, and disposal of excess excavated material.
3. Hydrants and fittings, including barrel and shoe.
4. Manholes.
5. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
6. Pipe including leads and drains.
7. Tee at main.
8. Valves and valve boxes.

349. Other Transmission and Distribution Plant.

This account shall include the cost installed of all other transmission and distribution system plant not provided for in the foregoing accounts.

ITEMS

1. Cisterns or basins.
2. Connections to main.
3. Excavation, backfill, and disposal of excess excavated material.
4. Fountains, basins, troughs, pools, etc.
5. Pavement disturbed, cutting and replacing pavement, pavement base and sidewalks.
6. Piping.
7. Valves and valve boxes.

6. GENERAL PLANT

389. Land and Land Rights.

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See Utility Plant Instruction 7.)

390. Structures and Improvements.

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See Utility Plant Instruction 8.)

391. Office Furniture and Equipment.

A. This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

ITEMS

1. Book cases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting room equipment.
4. Filing, storage, and other cabinets.
5. Floor covering.
6. Library and library equipment.
7. Mechanical office equipment such as accounting machines, typewriters, etc.
8. Safes.
9. Tables.

392. Transportation Equipment.

This account shall include the cost of transportation vehicles used for utility purposes.

ITEMS

1. Airplanes.
2. Automobiles.
3. Bicycles.
4. Electrical vehicles.
5. Motor trucks.
6. Motorcycles.
7. Repair cars or trucks.
8. Tractors and trailers.
9. Other transportation vehicles.

393. Stores Equipment.

A. This account shall include the cost of equipment used for the receiving, shipping, handling and storage of materials and supplies.

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

ITEMS

1. Chain falls.
2. Counters.
3. Cranes (portable).
4. Elevating and stacking equipment (portable).
5. Hoists.
6. Lockers.
7. Scales.
8. Shelving.
9. Storage bins.
10. Trucks, hand and power driven.
11. Wheelbarrows.

394. Tools, Shop and Garage Equipment.

This account shall include the cost of tools, implements, and equipment used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.

ITEMS

1. Air compressors.
2. Anvils.
3. Automobile repair shop equipment.
4. Battery charging equipment.
5. Belts, shafts and countershafts.
6. Boilers.
7. Cable pulling equipment.
8. Concrete mixers.
9. Drill presses.
10. Derricks.
11. Electric equipment.

12. Engines.
13. Forges.
14. Furnaces.
15. Foundations and settings specially constructed for and not expected to outlast the equipment for which provided.
16. Gas producers.
17. Gasoline pumps, oil pumps and storage tanks.
18. Greasing tools and equipment.
19. Hoists.
20. Ladders.
21. Lathes.
22. Machine tools.
23. Motor driven tools.
24. Motors.
25. Pipe threading and cutting tools.
26. Pneumatic tools.
27. Pumps.
28. Riveters.
29. Smithing equipment.
30. Tool racks.
31. Vises.
32. Welding apparatus.
33. Work benches.

395. Laboratory Equipment.

A. This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specifically provided for or includible in other departmental or functional plant accounts.

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

ITEMS

1. Autoclaves.
2. Barometers.
3. Cameras.
4. Centrifuge.
5. Distilling apparatus.
6. Furnaces.
7. Microscopes.
8. Ovens.
9. Pitometers.
10. Rain gauges.
11. Refrigerators.
12. Scales.
13. Sterilizers.
14. Stop watches.
15. Testing machines.
16. Thermometers.

17. Voltmeters.
18. Other bacteriological, electric, chemical hydraulic or research equipment.

396. Power Operated Equipment.

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

ITEMS

1. Air compressors, including driving unit and vehicle.
2. Back filling machines.
3. Boring machines.
4. Bulldozers.
5. Cranes and hoists.
6. Diggers.
7. Engines.
8. Pile drivers.
9. Pipe cleaning machines.
10. Pipe coating or wrapping machines.
11. Tractors—Crawler type.
12. Trenchers.
13. Other power operated equipment.

NOTE.—It is intended that this account include only such large units as are generally self-propelled or mounted on moveable equipment.

397. Communication Equipment.

This account shall include the cost installed of telephone, telegraph and wireless equipment for general use in connection with utility operations.

ITEMS

1. Antennae.
2. Booths.
3. Cables.
4. Distribution boards.
5. Extension cords.
6. Gongs.
7. Handsets, manual and dial.
8. Insulators.
9. Intercommunicating sets.
10. Loading coils.
11. Operators desks.
12. Poles and fixtures used wholly for telephone and telegraph wires.
13. Radio transmitting and receiving sets.
14. Remote control equipment and lines.

15. Sending keys.
16. Storage batteries.
17. Switchboards.
18. Telautograph circuit connections.
19. Telegraph receiving sets.
20. Telephone and telegraph circuits.
21. Testing instruments.
22. Towers.
23. Underground conduit used wholly for telephone or telegraph wires and cable wires.

398. Miscellaneous Equipment.

This account shall include the cost of equipment, apparatus, etc., used in utility operations, and which is not includible in any other account.

ITEMS

1. Hospital and infirmary equipment.
2. Kitchen equipment.
3. Recreation equipment.
4. Radios.
5. Restaurant equipment.
6. Soda fountains.
7. Operator's cottage furnishings.
8. Other miscellaneous equipment.

NOTE.—Miscellaneous equipment of the nature indicated above wherever practicable shall be included in the utility plant accounts on a functional basis.

399. Other Tangible Property.

This account shall include the cost of tangible utility plant not provided for elsewhere.

1. UTILITY OPERATING INCOME

Operating Revenues (400)
Operating Expenses:
  Operating Expense (401)
  Maintenance Expense (402)
  Depreciation Expense (403)
  Amortization Expense (404-407)
  Taxes Other Than Income Taxes (408)
  Taxes Other Than Income Taxes, Utility Operating Income (408.1)
  Income Taxes (409)
  Income Taxes, Utility Operating Income (409.1)
  Provision for Deferred Income Taxes (410)
  Provision for Deferred Income Taxes, Utility Operating Income (410.1)
  Income Taxes Deferred in Prior Years—Cr. (411)
  Income Taxes Deferred in Prior Years—Cr., Utility Operating Income (411.1)
  Gains from Disposition of Utility Plant (411.6)
  Losses from Disposition of Utility Plant (411.7)
    Total Utility Operating Expenses
Net Operating Revenues
Income from Utility Plant Leased to Others (412-413)
Total Utility Operating Income

2. OTHER INCOME AND DEDUCTIONS

A. OTHER INCOME

Income from Merchandising, Jobbing, and Contract Work (415-416)
Revenues from Nonutility Operations (417)
Expenses of Nonutility Operations (417.1)
Nonoperating Rental Income (418)
Equity in Earnings of Subsidiary Companies (418.1)
Interest and Dividend Income (419)
Interest Charged to Construction-Cr. (432)
Miscellaneous Nonoperating Income (421)
Gain on Disposition of Property (421.1)
Total Other Income

B. OTHER INCOME DEDUCTIONS

Loss on Disposition of Property (421.2)
Miscellaneous Amortization (425)
Miscellaneous Income Deductions (426)

Total Other Income Deductions
Total Other Income and Deductions

C. TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS

Taxes Other Than Income Taxes, Other Income and Deductions (408.2)
Income Taxes, Other Income and Deductions (409.2)
Provision for Deferred Income Taxes, Other Income and Deductions (410.2)
Income Taxes Deferred in Prior Years-Cr., Other Income and Deductions (411.2)
Total Taxes on Other Income and Deductions
Net Other Income and Deductions

3. INTEREST CHARGES

Interest on Long-Term Debt (427)
Amortization of Debt Discount and Expense (428)
Amortization of Premium on Debt-Cr. (429)
Interest on Debt to Associated Companies (430)
Other Interest Expense (431)
Total Interest Charges
Income Before Extraordinary Items

4. EXTRAORDINARY ITEMS

Extraordinary Income (434)
Extraordinary Deductions (435)
Income Taxes, Extraordinary Items (409.3)
Net Income

INCOME ACCOUNTS

1. UTILITY OPERATING INCOME

400. Operating Revenues.

There shall be shown under this caption the total amount included in the operating revenue accounts provided herein and in similar accounts for other utility departments. Separate subaccounts shall be maintained for each utility department.

401. Operation Expense.

There shall be shown under this caption the total amount included in the operation expense accounts provided herein and in similar accounts for other utility departments. Separate subaccounts shall be maintained for each utility department.

402. Maintenance Expense

There shall be shown under this caption the total amount included in the maintenance expense accounts provided herein and in similar accounts for other utility departments. Separate subaccounts shall be maintained for each utility department.

403. Depreciation Expense

A. This account shall include the amount of depreciation expense for all classes of depreciable utility plant in service except such depreciation expense as is chargeable to clearing accounts or to account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work.

B. The utility shall keep such records of property and property retirements as will reflect the service life of property which has been retired and aid in estimating probable service life by mortality, turnover, or other appropriate methods; and also such records as will reflect the percentage of salvage and cost of removal for property retired from each account, or subdivision thereof, for depreciable utility plant.

C. If the utility is engaged in more than one utility service, a separate account shall be kept hereunder for each utility service.

NOTE A.—Depreciation expense applicable to property included in account 104, Utility Plant Leased to Others, shall be charged to account 413, Expenses of Utility Plant Leased to Others.

NOTE B.—Depreciation expense applicable to transportation equipment, shop equipment, tools, work equipment and power operated equipment and other general equipment may be charged to clearing accounts as necessary in order to obtain a proper distribution of expenses between construction and operation.

404. Amortization of Limited-Term Utility Plant.

This account shall include amortization charges applicable to amounts included in the utility plant accounts for limited-term franchises, licenses, patent rights, limited-term interests in land, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See account 114, Accumulated Provision for Amortization of Utility Plant in Service.)

405. Amortization of Other Utility Plant.

A. When authorized by the Commission, this account shall include charges for amortization of intangible or other utility plant in service which does not have a definite or terminable life and which is not subject to charges for depreciation expense.

B. This account shall be supported in such detail as to show the amortization applicable to each investment being amortized, together with the book cost of the investment and the period over which it is being written off.

406. Amortization of Utility Plant Acquisition Adjustments.

This account shall be debited or credited, as the case may be, with amounts includible in operating expenses, pursuant to approval or order of the Commission, for the purpose of providing for the extinguishment of the amount in account 117, Utility Plant Acquisition Adjustments.

407. Amortization of Property Losses.

This account shall be charged with amounts credited to account 182, Extraordinary Property Losses, when the Commission has authorized the amount in the latter account to be amortized by charges to operating expenses.

408. Taxes Other Than Income Taxes.

A. This account shall include the amount of ad valorem, gross revenue or gross receipts taxes, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by federal, state, county, municipal, or other local governmental authorities, except income taxes.

B. This account shall be charged in each accounting period with the amount of taxes which is applicable thereto, with concurrent credits to account 236, Taxes Accrued, or account 165, Prepayments, as appropriate. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and adjustments made in current accruals as the actual tax levies become known.

C. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering a number of utility services, taxes includible in this account shall be assigned directly to the utility department the operation of which gave rise to the tax in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

D. This account shall be maintained according to the subaccounts 408.1 and 408.2 inclusive as shown below.

NOTE A.—Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

NOTE B.—Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE C.—Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

NOTE D.—Social security and other forms of so-called payroll taxes shall be distributed to utility departments and to nonutility functions on a basis related to payroll. Amounts applicable to construction shall be charged to the appropriate plant account.

NOTE E.—Interest on tax refunds or deficiencies shall not be included in this account but in account 419, Interest and Dividend Income or 431, Other Interest Expense, as appropriate.

408.1. Taxes Other Than Income Taxes, Utility Operating Income.

This account shall include those taxes recorded in account 408, Taxes Other Than Income Taxes which relate to utility operating income. This account shall be maintained so as to allow ready identification of taxes relating to Utility Operating Income (by department), Utility Plant Leased to Others and Other Utility Operating Income.

408.2 Taxes Other Than Income Taxes, Other Income and Deductions.

This account shall include those taxes recorded in account 408, Taxes Other Than Income Taxes which relate to Other Income and Deductions.

409. Income Taxes.

A. This account shall include the amount of state and federal income taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted by a charge or credit to this account, unless such adjustment is properly includible in account 439, Adjustments to Retained Earnings, so that this account as nearly as can be ascertained shall include the actual taxes payable by the utility. (See general instructions 7.1 for prior period adjustments.)

B. The accruals for income taxes shall be apportioned among utility departments and to Other Income and Deductions so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or Other Income and Deductions, the income from which gave rise to the tax. The income tax effect of amounts recorded in account 439, Adjustments to Retained Earnings shall be recorded in that account.

C. This account shall be maintained according to the subaccounts 409.1, 409.2 and 409.3 inclusive as shown below.

NOTE A.—Taxes assumed by the utility on interest shall be charged to account 431, Other Interest Expense.

NOTE B.—Interest on tax refunds or deficiencies shall not be included in this account but in account 419, Interest and Dividend Income, or account 431, Other Interest Expense, as appropriate.

409.1. Income Taxes, Utility Operating Income.

This account shall include the amount of those state and federal income taxes reflected in account 409, Income Taxes, which relate to utility operating income. This account shall be maintained so as to allow ready identification of tax effects (both positive and negative) relating to Utility Operating Income (by department) and Utility Plant Leased to Others.

409.2. Income Taxes, Other Income and Deductions.

This account shall include the amount of those state and federal income taxes reflected in account 409, Income Taxes, (both positive and negative) which relate to Other Income and Deductions.

409.3. Income Taxes, Extraordinary Items.

This account shall include the reflected amount of those state and federal income taxes in account 409, Income Taxes, (both positive and negative) which relate to Extraordinary Items.

410. Provision for Deferred Income Taxes.

A. This account shall be debited and Accumulated Deferred Income Taxes shall be credited with an amount equal to any deferral of taxes on income as provided by the texts of accounts 281, 282 and 283. There shall not be netted against entries required to be made to this account any credit amounts appropriately includible in account 411, Income Taxes Deferred In Prior Years-Credit.

B. This account shall be maintained according to the subaccounts 410.1 and 410.2 inclusive, as shown below.

410.1. Provisions for Deferred Income Taxes, Utility Operating Income.

This account shall include the amount of those deferred income taxes reflected in account 410, Provision for Deferred Income Taxes, which relate to Utility Operating Income (by department).

410.2. Provisions for Deferred Income Taxes, Other Income and Deductions

This account shall include the amount of those deferred income taxes reflected in account 410, Provision for Deferred Income Taxes, which relate to Other Income and Deductions.

411. Income Taxes Deferred in Prior Years-Credit.

A. This account shall be credited and Accumulated Deferred Income Taxes debited with an amount equal to the portion of taxes on income payable for the year that is attributable to a deferral of taxes on income in a prior year, in accordance with the plan of deferred tax accounting provided by the texts of accounts 281, 282, and 283. There shall not be netted against entries required to be made to this account any debit amounts appropriately includible in account 410, Provision for Deferred Income Taxes.

B. This account shall be maintained according to the subaccounts 411.1 and 411.2 inclusive, as shown below.

411.1. Income Taxes Deferred in Prior Years-Credit, Utility Operating Income.

This account shall include the amount of those taxes deferred in prior years—credit, reflected in account 411, Income Taxes Deferred in Prior Years—Credit, which relate to Utility Operating Income (by department).

411.2. Income Taxes Deferred in Prior Years—Credit, Other Income and Deductions.

This account shall include the amount of those taxes deferred in prior years—credit, reflected in account 411, Income Taxes Deferred in Prior Years—Credit, which relate to Other Income and Deductions.

411.6. Gains from Disposition of Utility Plant.

This account shall include amounts relating to gains from the sale or other disposition of utility plant recorded in accounts 101-104; or property recorded in account 105, Property Held for Future Use or account 121, Nonutility Property, which had previously been classified in the aforementioned utility plant accounts. Record income taxes on gains recorded in this account in account 409, Income Taxes.

411.7. Losses from Disposition of Utility Plant.

This account shall include amounts relating to losses from the sale or other disposition of utility plant recorded in accounts 101-104; or property recorded in account 105, Property Held for Future Use or account 121, Nonutility Property, which had previously been classified in the aforementioned utility plant accounts. Record the reductions in income taxes attributable to losses recorded in this account in account 409, Income Taxes.

412. Revenues from Utility Plant Leased to Others.

413. Expenses of Utility Plant Leased to Others.

A. These accounts shall include respectively, revenues from utility property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 104, Utility Plant Leased to Others, and the expenses attributable to such property.

B. The detail of expenses shall be kept or supported so as to show separately the following:

Operation
Maintenance
Depreciation
Amortization

NOTE.—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, identified separately.

2. OTHER INCOME AND DEDUCTIONS

A. Other Income

415. Revenues from Merchandising, Jobbing, and Contract Work.

416. Costs and Expenses of Merchandising, Jobbing, and Contract Work.

A. These accounts shall include respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and all expenses incurred in such activities.

B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

NOTE A.—Revenues and expenses of merchandising, jobbing, and contract work shall be reported in these accounts, if a state regulatory body having jurisdiction over the utility requires the net income therefrom to be reported as other income; but the revenues and expenses shall be reported in account 914, Revenues from Merchandising, Jobbing, and Contract Work, and account 915, Costs and Expenses of Merchandising, Jobbing, and Contract Work, if such regulatory body requires the net income to be reported as an operating income or expense item. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 914 and 915 at its option, in which case the practice of the utility must be consistent.

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 415:

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 customer's premises.
4. Revenues from the 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 416:

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 merchandising 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.

417. Revenues from Nonutility Operations.

417.1. Expenses of Nonutility Operations.

A. These accounts shall include revenues and expenses applicable to operation which are nonutility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as providing sewage disposal service where applicable statutes do not define such operation as utility, or the operation of a servicing organization for fur-