



FEDERAL REGISTER

VOLUME 25 NUMBER 155

Washington, Wednesday, August 10, 1960

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Title 3—THE PRESIDENT

Proclamation 3363

AMERICAN EDUCATION WEEK, 1960

By the President of the United States
of America

A Proclamation

WHEREAS the American system of free public education, recognizing the supreme importance of the individual and his right to develop his capacities to the full, has created a virile and powerful society of responsible citizens; and

WHEREAS this educational system is a means for preserving the most precious heritage of our land and a basic requirement for further social and economic advances; and

WHEREAS, through the benefits of education, the peoples of the world have entered a new age which can open up an intensified attack on the ancient ills of poverty, disease, and ignorance and which can harness the energies of mankind for a better way of life for all; and

WHEREAS it is imperative that we continue to lead in this age by building on the accomplishments of the past so that our educational system will adequately prepare our children for the responsibilities of the future:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby designate the period from November 6 through November 12, 1960, as American Education Week; and I urge citizens throughout the Nation to participate actively in the observance of that week in their schools and communities.

Let us reaffirm our deep interest in the training ground of democracy. Let us study the programs of our schools and demonstrate our support for the work of our dedicated teachers. Let us take every opportunity to strengthen our educational system so that our young people can be prepared to meet the challenge imposed on our Nation by this competitive century.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this first day of August in the year of our Lord nineteen hundred and [SEAL] sixty, and of the Independence of the United States of America the one hundred and eighty-fifth.

DWIGHT D. EISENHOWER

By the President:

DOUGLAS DILLON,
Acting Secretary of State.

[F.R. Doc. 60-7487; Filed, Aug. 8, 1960;
2:24 p.m.]

Rules and Regulations

Title 6—AGRICULTURAL CREDIT

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

SUBCHAPTER D—REGULATIONS UNDER SOIL BANK ACT

[Amdt. 9]

PART 485—SOIL BANK

Subpart—Conservation Reserve Program for 1960

EXTENSIONS OF CONTRACT PERIODS RESTRICTED

The regulations governing the Conservation Reserve Program for 1960, 24 F.R. 7987, as amended, are hereby further amended by adding a new § 485.542 at the end thereof to read as follows:

§ 485.542 Extensions of contract periods restricted.

Notwithstanding any other provision of these regulations relating to extensions of contract periods, no further extensions of contract periods, other than those authorized under § 485.510(c) (3), shall be approved after the date that the county committee received instructions to such effect or the date of publication of this amendment in the FEDERAL REGISTER, whichever is earlier, except in the case of a producer who requested an extension prior to such date: *Provided*, That in no event may such an extension be approved after December 31, 1960.

(Sec. 124, 70 Stat. 198; 7 U.S.C. 1812)

Issued at Washington, D.C., this 4th day of August 1960.

FOREST W. BEALL,
Acting Administrator,
Commodity Stabilization Service.

[F.R. Doc. 60-7420; Filed, Aug. 9, 1960; 8:47 a.m.]

[Amdt. 43]

PART 485—SOIL BANK

Subpart—Conservation Reserve Program for 1956 Through 1959

EXTENSIONS OF CONTRACT PERIODS RESTRICTED

The regulations governing the Conservation Reserve Program for 1956 through 1959, 21 F.R. 6289, as amended, are hereby further amended by adding a new § 485.189 at the end thereof to read as follows:

§ 485.189 Extensions of contract periods restricted.

Notwithstanding any other provision of these regulations relating to extensions of contract periods, no further extensions of contract periods, other than

those authorized under § 485.156(c) (3), shall be approved after the date that the county committee received instructions to such effect or the date of publication of this amendment in the FEDERAL REGISTER, whichever is earlier, except in the case of a producer who requested an extension prior to such date: *Provided*, That in no event may such an extension be approved after December 31, 1960.

(Sec. 124, 70 Stat. 198; 7 U.S.C. 1812)

Issued at Washington, D.C., this 4th day of August 1960.

FOREST W. BEALL,
Acting Administrator,
Commodity Stabilization Service.

[F.R. Doc. 60-7421; Filed, Aug. 9, 1960; 8:47 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter III—Federal Aviation Agency

SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 60-NY-1]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Modification of Control Zone

On April 20, 1960, a notice of proposed rule making was published in the FEDERAL REGISTER (25 F.R. 3423) stating that the Federal Aviation Agency was considering an amendment to Part 601 of the Regulations of the Administrator which would designate a control zone at Felker Army Air Field, Fort Eustis, Va.

As stated in the Notice, the Federal Aviation Agency proposed the designation of a control zone at Fort Eustis, Va., within a 5-mile radius of the Felker Army Air Field, excluding the portion which would coincide with the Newport News, Va., control zone (§ 601.2136). Designation of this control zone will provide protection for aircraft conducting IFR approaches and departures at Felker AAF.

Three comments were received regarding the proposed amendment. One of the comments was from the Air Transport Association of America which concurred in the designation of the Fort Eustis control zone at Felker AAF. The ATA, however, did not concur with that part of the proposed amendment which would result in the designation of the control zone as separate and apart from the Newport News control zone and stated the following concerning the proposed control zone:

At the Norfolk ATC Advisory Committee Meeting No. 13 on December 3, 1958, the committee considered the question of establishing an instrument approach procedure for Felker Army Air Field as it related to operations at Patrick Henry Airport. It was the conclusion of the committee that instrument approach operations to Felker AAF were feasible. It was stipulated, however, that the approach must be considered, for practical purposes, to be coincident with the approach to Patrick Henry Airport, and that a single agency be designated as the controlling agency for both airports. This conclusion was reiterated at Committee Meetings Nos. 17 and 18 on October 7 and December 2, 1959.

It is our understanding also that at airports in proximity to each other whose traffic patterns and approved instrument approach and departure procedures conflict, that separate control zones are not considered practical by FAA policy. In such cases basic circular control zone area can be modified by using the appropriate radius from the geographical center of each airport.

Considering these two factors the Air Transport Association recommends that the control zone airspace required for the protection of Felker AAF IFR operations be provided by redesignation of the Newport News, Va., Control Zone * * *.

In view of the proximity of Felker AAF to Patrick Henry Airport, and the use of the same navigational aids, simultaneous instrument approaches cannot be made to both airports. Therefore, Felker AAF and Patrick Henry Airport are both under the control jurisdiction of the Norfolk, Va., Air Route Traffic Control Center. Because simultaneous instrument approaches are not possible and both airports are under the IFR control jurisdiction of the same facility, the Federal Aviation Agency concurs in the ATA's recommendation that the control zone at Felker AAF should be designated as a part of the existing Newport News control zone rather than as a separate zone.

No other adverse comments were received. The Department of the Navy and the Department of the Air Force interposed no objection to the proposed amendment.

Interested persons have been afforded an opportunity to participate in the making of the rule herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530), § 601.2136 (24 F.R. 10578) is amended to read:

§ 601.2136 Newport News, Va., control zone.

Within a 5-mile radius of the geographical center of the Patrick Henry Airport (Lat. 37°07'47" N., Long. 76°29'46" W.); within 2 miles either side of the Patrick Henry Airport ILS localizer SW course extending from the localizer to a point 10 miles SW of the OM. and within a 5-mile radius of the geographical center of the Felker Army

Air Field (Lat. 37°07'55" N., Long. 76°36'30" W.), excluding the portion which overlaps the Hampton Roads, Va. (Langley AFB, control zone (§ 601.2118)).

This amendment shall become effective 0001 e.s.t., September 22, 1960.

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

Issued in Washington, D.C., on August 3, 1960.

D. D. THOMAS,
Director, Bureau of
Air Traffic Management.

[F.R. Doc. 60-7399; Filed, Aug. 9, 1960; 8:45 a.m.]

Title 22—FOREIGN RELATIONS

Chapter I—Department of State

PART 42—VISAS: DOCUMENTATION OF IMMIGRANTS UNDER THE IMMIGRATION AND NATIONALITY ACT, AS AMENDED

[Dept. Reg. 108, 443]

Miscellaneous Amendments

Part 42, Chapter I, Title 22 of the Code of Federal Regulations is hereby amended in the following respects:

1. Section 42.63 is amended as follows:

§ 42.63 Aliens not to be registered.

(a) The name of an alien shall not be entered on the quota waiting list if he is issued an exchange-visitor visa.

(b) The name of an alien in the United States, other than one who is the beneficiary of a first preference quota petition, shall not be entered on a quota waiting list if he (1) has or obtains the status of an exchange visitor under the provisions of section 201 of the United States Information and Educational Exchange Act of 1948, as amended, (2) has been admitted into the United States as a nonimmigrant and has willfully violated his nonimmigrant status, or (3) is in the United States in violation of the immigration laws.

(c) An alien, including one who is the beneficiary of a second, third or fourth preference quota petition who has been denied registration under paragraph (a) or (b) of this section and who has maintained a continuing intention to immigrate into the United States may, upon his application, be registered on a quota waiting list with a priority not antedating the date of his departure from the United States.

2. Section 42.66 is amended as follows:

§ 42.66 Cancellation of registration.

(a) Except as provided in paragraph (b) of this section the registration of a quota immigrant shall be canceled under any of the following circumstances:

(1) The registrant is issued an immigrant visa;

(2) The registrant has been denied an immigrant visa on some ground which

cannot be overcome by the presentation of further evidence or by a probable change in the circumstances of his case;

(3) The registrant was erroneously registered;

(4) The registrant dies;

(5) The registrant abandons his intention to immigrate to the United States or for any reason fails to evidence his continued intention to apply for a visa within sixty days after being duly notified that his name has been reached on the quota waiting list;

(6) The registrant is issued an exchange-visitor visa or obtains a change of status in the United States to that of an exchange visitor under the provisions of section 201 of the United States Information and Educational Exchange Act of 1948, as amended;

(7) The registrant, if admitted into the United States as a nonimmigrant, willfully violates his nonimmigrant status; or

(8) The registrant enters or remains in the United States in violation of the immigration laws.

(b) The priority of registration established by the filing date of a petition approved to accord first preference quota status under the provisions of section 203(a)(1) of the Act shall not be canceled if the alien seeks to enter the United States as a first preference immigrant and his case falls within paragraph (a) (5), (6), (7) or (8) of this section.

3. The following new section is added:

§ 42.67 Reinstatement of registration and new registration following cancellation.

(a) *Reinstatement.* The name of an alien whose registration has been canceled under the provisions of paragraph (a) of § 42.66 may be reinstated on a quota waiting list as of the date of the original registration under the following circumstances:

(1) An alien whose name has been removed from the quota waiting list under paragraph (a) (1) of § 42.66, who fails to use his immigrant visa for reasons beyond his control and for which he is not responsible, and who makes application for another visa in a subsequent quota year and within sixty days of the termination of the circumstances which prevented him from using the original visa may be accorded his original priority on the quota waiting list;

(2) Any alien whose name has been removed from the quota waiting list under paragraph (a) (5) of § 42.66 who can establish to the satisfaction of the consular officer that his failure to evidence his continued intention to apply for a visa was for reasons beyond his control and for which he was not responsible, may make an application for a visa under his original priority on the quota waiting list when the circumstances which prevented him from applying for a visa cease to exist, or within sixty days thereafter.

(b) *New registration following cancellation.* An alien whose name has been removed from the quota waiting list under paragraph (a) (6), (7) or (8) of § 42.66 who has maintained a continuing intention to immigrate may, upon application, be granted a priority on the quota waiting list which does not antedate the date of his departure from the United States.

§ 42.134 [Amendment]

4. Section 42.134 *Revocation of visas* is amended by deleting the words "or invalidation" from paragraph (b) *Notice of proposed revocation*, from paragraph (f) *Record of action* and from the last sentence of paragraph (g) *Reconsideration of revocation*.

Effective date. The regulations contained in this order shall become effective August 15, 1960.

The provisions of section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U.S.C. 1003) relative to notice of proposed rule making are inapplicable to this order because the regulations contained therein involve foreign affairs functions of the United States.

JOHN W. HANES, Jr.,
Administrator, Bureau of Security
and Consular Affairs.

AUGUST 2, 1960.

[F.R. Doc. 60-7430; Filed, Aug. 9, 1960; 8:48 a.m.]

Title 7—AGRICULTURE

Chapter VIII—Commodity Stabilization Service (Sugar), Department of Agriculture

SUBCHAPTER E—DETERMINATION OF SUGAR COMMERCIALY RECOVERABLE

[Sugar Determination 831.4, Amdt. 2]

PART 831—BEET SUGAR AREA

Rates of Recoverability; 1960 Crop

Pursuant to the provisions of § 831.4 (24 F.R. 6991, 24 F.R. 7499), Part 831 of this chapter is further amended by adding the following new section.

§ 831.6 Rates of recoverability; 1960 crop.

The amounts of sugar, raw value, commercially recoverable from sugar beets of the 1960 crop shall be computed by multiplying the net weight thereof in tons at the time of delivery to a processor, by the rate of commercially recoverable sugar, which is applicable under the following provisions of this section.

(a) For sugar beets marketed within a settlement area under any type of agreement other than an "individual test" contract, the rate of commercially recoverable sugar with respect to each settlement area is established as follows:

RULES AND REGULATIONS

Settlement areas by factories in States	1953-59 average sugar content	Rate of commercially recoverable sugar
IDAHO, OREGON, WASHINGTON		
	<i>Percent</i>	<i>Hundred-weight</i>
Idaho Falls.....	16.52	3.089
Nyssa, Nampa (Quincy).....	15.49	2.897
Preston.....	16.17	3.024
Rupert, Twin Falls.....	16.68	3.119
Toppenish, Moses Lake.....	15.30	2.861
UTAH		
Centerfield.....	16.05	3.001
Garland.....	16.17	3.024
Layton.....	16.19	3.028
Lewiston (Ogden).....	15.93	2.979
West Jordan (Spanish Fork).....	15.41	2.882
COLORADO, NEBRASKA, SOUTH DAKOTA		
Delta.....	15.99	2.990
Sugar City.....	14.57	2.725
Grand Island.....	14.45	2.702
Belle Fourche.....	15.77	2.949
WYOMING, MONTANA		
Lovell.....	16.86	3.153
Worland.....	16.55	3.095
Billings.....	16.68	3.119
Hardin (Sheridan).....	16.52	3.089
Missoula.....	16.42	3.071
Sidney.....	16.30	3.048
MINNESOTA, IOWA		
East Grand Forks, Moorhead, Crookston.....	15.80	2.955
Chaska, Mason City.....	14.46	2.704
GREAT LAKES STATES		
Alma (Mt. Pleasant).....	14.81	2.760
Bay City.....	14.76	2.760
Findlay, Fremont (Blissfield).....	14.30	2.674
Caro.....	14.66	2.741
Carrollton.....	14.42	2.697
Croswell.....	14.82	2.771
Green Bay.....	14.78	2.764
Ottawa.....	14.18	2.652
Sebawaing.....	14.80	2.768

(b) For sugar beets marketed under "individual test" contracts, the rate of commercially recoverable sugar shall be computed by multiplying the percentage of sugar content of such beets by 20 hundredweight, and then multiplying the result by 90.3 percent (the average extraction rate, as adjusted for shrink, effective for such beets). This computation can be shortened by the use of the factor of 0.1806. As an example, a percentage of sugar content of 16.37 when multiplied by 0.1806 would result in a rate of commercially recoverable sugar of 2,936 hundredweight.

STATEMENT OF BASES AND CONSIDERATIONS

The determination of sugar commercially recoverable for the Beet Sugar Area, as issued August 26, 1959, provides the method for determining and establishing amounts of sugar commercially recoverable from sugar beets of the 1960 crop, and it also provides that the rates shall become effective when public notice thereof is given in the FEDERAL REGISTER.

Pursuant to that determination, this amendment sets forth the rates of recoverability as determined for the 1960 crop. Definitive rates are specified for the various settlement areas where the only tests available for ascertaining the sugar content of the beets are cossette tests. Within these areas, the rates give effect to 1953-59 average percentages of

sugar content and the 1954-58 national average extraction rate of beet sugar, raw value, of 93.5 percent.

In lieu of an extensive table of definitive rates applicable to sugar beets of various percentages of sugar content as marketed under individual test contracts, this amendment shows that the rate of recoverability for beets of any given percentage of sugar content so marketed may be computed by multiplying the percentage of sugar content of such beets by the factor of 0.1806. This factor gives effect to the average rate of extraction of sugar, raw value, of 90.3 percent as applicable to individual test beets. The difference between 93.5 and 90.3 percent represents the average "shrink" in percentage of sugar content between the time of delivery and the time of processing for all beets of the crops of 1954-58 marketed under individual test contracts. Listings of the rates applicable to various percentages of such contents (expressed in hundredths) will be available for inspection at ASC County Offices in sugar beet producing counties.

The percentages of 93.5 and 90.3, as determined herein for the 1960 crop, compare with percentages of 93.6 and 90.7, as effective for the 1959 crop.

(Sec. 403, 61 Stat. 932; 7 U.S.C. Supp. 1153, Interprets or applies secs. 302, 303, 304, 61 Stat. 930, as amended, 931; 7 U.S.C. Supp. 1182, 1183, 1134)

Issued this 3d day of August 1960.

LAWRENCE MYERS,
Director, Sugar Division.

[F.R. Doc. 60-7444; Filed, Aug. 9, 1960;
8:51 a.m.]

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

[Valencia Orange Regs. 189, 190, 191;
Terminated]

PART 922—VALENCIA ORANGES GROWN IN ARIZONA AND DES- IGNATED PART OF CALIFORNIA

Limitation of Handling

a. *Findings.* (1) Pursuant to the marketing agreement, and Order No. 22, as amended (7 CFR Part 922), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendation and information submitted by the Valencia Orange Administrative Committee, established under the said marketing agreement and amended order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice,

engage in public rule-making procedure, and postpone the effective date of this regulation until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001-1011) in that the time intervening between the date when information upon which this regulation is based became available and the time when this regulation must become effective in order to effectuate the declared policy of the act is insufficient, and this regulation relieves restrictions on the handling of such Valencia oranges.

b. *Order.* (1) The provisions of Valencia orange regulations 189 (§ 922.489; 25 F.R. 1908), 190 (§ 922.490; 25 F.R. 2512), and 191 (§ 922.491; 25 F.R. 3021), are hereby terminated effective at 12:01 a.m., P.s.t., August 7, 1960.

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

Dated: August 4, 1960.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Veg-
etable Division, Agricultural
Marketing Service.

[F.R. Doc. 60-7415; Filed, Aug. 9, 1960;
8:46 a.m.]

[Avocado Order 21]

PART 969—AVOCADOS GROWN IN SOUTH FLORIDA

Container Regulation

On July 23, 1960, notice of proposed rule making was published in the FEDERAL REGISTER (25 F.R. 7034) that consideration was being given to a new avocado container regulation effective under the marketing agreement, as amended, and Order No. 69, as amended (7 CFR Part 969), regulating the handling of avocados grown in south Florida. This is a regulatory marketing program issued pursuant to the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). The notice contemplated that the new container regulation would be placed in effect on August 22, 1960.

After consideration of all relevant matters presented, including the proposal set forth in the notice, which was submitted by the Avocado Administrative Committee (established pursuant to the said amended marketing agreement and order), it is hereby found that the container regulation, hereinafter set forth, is in accordance with the provisions of the said marketing agreement and order and will tend to effectuate the declared policy of the act.

It is hereby further found that good cause exists for not postponing the effective date of this regulation until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 1001-1011) in that (1) this regulation makes available for use by handlers two new containers for the packing and handling of avocados and, to this extent, relieves restriction on the handling of avocados; (2) available information indicates handlers' inventories of the containers precluded from use in the packing and handling of avo-

cados after the effective date hereof have been exhausted; (3) notice of rule-making concerning this regulation was published on July 23, 1960, and no objections to making this regulation effective on August 22, 1960, were received; and (4) no special preparation on the part of handlers is required to comply with this regulation which cannot be completed by the effective time hereof.

§ 969.321 Container regulation.

(a) (1) On and after 12:01 a.m., e.s.t., August 22, 1960, no handler shall handle any variety of avocados unless such avocados are packed in a container or containers meeting the following specifications:

(i) Containers with inside dimensions of 11 x 16 $\frac{3}{4}$ x 10 inches: *Provided*, That the individual avocados in such a container shall weigh at least 16 ounces, except that not to exceed 10 percent, by count, of the fruit in each lot may fail to meet such weight requirement. Such tolerance shall be on a lot basis, but not more than double such tolerance shall be permitted for an individual container in a lot.

(ii) Containers with inside dimensions of 13 $\frac{1}{2}$ x 16 $\frac{1}{2}$ x 3 $\frac{1}{4}$ inches.

(iii) Containers with inside dimensions of 13 $\frac{1}{2}$ x 16 $\frac{1}{2}$ x 3 $\frac{3}{4}$ inches.

(iv) Containers with inside dimensions of 13 $\frac{1}{2}$ x 16 $\frac{1}{2}$ x 4 $\frac{1}{2}$ inches.

(v) With respect to the containers prescribed in subdivisions (ii) through (iv) of this subparagraph, the net weight of the Arue, Pollock, Simmonds, Hardee, Nadir, Trapp, Peterson, Waldin, Pinnelli, Tonnage, Booth 8; Black, Prince, Blair, Booth 7, Booth 10, Collinson, Lula, Booth 5, Hickson, Simpson, Vaca, Avon, Booth 11, Hall, Winslowson, Choquette, Herman, Monroe, Ajax (Booth 7-B), Booth 3, Taylor, Byars, Linda, Nabal, Wagner, Schmidt, and Iztamna varieties of avocados in any such container shall be not less than 13 $\frac{1}{2}$ pounds and the net weight of all other varieties of avocados in any such container shall be not less than 13 pounds: *Provided*, That not to exceed 5 percent, by count, of the containers in any lot may fail to meet such applicable weight requirement.

(vi) Containers with inside dimensions of 13 $\frac{1}{2}$ x 16 $\frac{1}{2}$ and depth varying from 6 $\frac{1}{2}$ to 8 inches.

(vii) During the period beginning at 12:01 a.m., e.s.t., August 22, 1960, and ending at 12:01 a.m., e.s.t., November 14, 1960, handlers may handle any variety of avocados in containers with inside dimensions of 13 $\frac{1}{2}$ x 16 $\frac{1}{2}$ and depth varying from 9 to 12 inches: *Provided*, That the individual avocados in such container shall weigh at least 16 ounces, except that not to exceed 10 percent, by count, of the fruit in each lot may fail to meet such weight requirement. Such tolerance shall be on a lot basis, but not more than double such tolerance shall be permitted for an individual container in a lot.

(viii) Such other types and sizes of containers as may be approved by the Avocado Administrative Committee for testing in connection with a research project conducted by or in cooperation with the said committee: *Provided*, That the handling of each lot of avocados in

such test containers shall be subject to the prior approval, and under the supervision, of the Avocado Administrative Committee.

(2) The terms "handler," "handle," and "avocados" when used herein shall have the same meaning as when used in the amended marketing agreement and order (§§ 969.1 to 969.71).

Avocado Order 19, as amended (§ 969.319; 25 F.R. 6746) is hereby terminated at 12:01 a.m., e.s.t., August 22, 1960.

Dated: August 5, 1960.

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

[F.R. Doc. 60-7440; Filed, Aug. 9, 1960; 8:50 a.m.]

PART 992—IRISH POTATOES GROWN IN WASHINGTON

Approval of Expenses and Rate of Assessment

Notice of rule making regarding the proposed expenses and rate of assessment, to be made effective under Marketing Agreement No. 113 and Order No. 92 (7 CFR Part 992) regulating the handling of Irish potatoes grown in the State of Washington, was published in the FEDERAL REGISTER July 16, 1960 (25 F.R. 6805). This regulatory program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). The notice afforded interested persons an opportunity to file data, views, or arguments pertaining thereto not later than 15 days after publication in the FEDERAL REGISTER. None was filed.

After consideration of all relevant matters presented, including the proposals set forth in the aforesaid notice, which proposals were adopted and submitted for approval by the State of Washington Potato Committee, established pursuant to said marketing agreement and order, it is hereby found and determined that:

§ 992.212 Expenses and rate of assessment.

(a) The reasonable expenses that are likely to be incurred by the State of Washington Potato Committee, established pursuant to Marketing Agreement No. 113 and Order No. 92, to enable such committee to perform its functions pursuant to the provisions of the marketing agreement and order, during the fiscal year ending May 31, 1961, will amount to \$24,113.00.

(b) The rate of assessment to be paid by each handler, pursuant to Marketing Agreement No. 113 and this part, shall be three-eighths of one cent (\$.00375) per hundredweight of potatoes handled by him, as the first handler thereof, during the fiscal year.

(c) The terms used in this section shall have the same meaning as when used in said marketing agreement and order.

(Secs. 1-10, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: August 4, 1960, to become effective 30 days after publication in the FEDERAL REGISTER.

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

[F.R. Doc. 60-7416; Filed, Aug. 9, 1960; 8:47 a.m.]

Title 32—NATIONAL DEFENSE

Chapter I—Office of the Secretary of Defense

SUBCHAPTER E—SECURITY

PART 67—INDUSTRIAL PERSONNEL ACCESS AUTHORIZATION REVIEW REGULATION

The Secretary of Defense approved the following on July 28, 1960. Part 67 appearing at 32 CFR 507-518, 1960 Cum. Sup., is hereby superseded and cancelled.

- Sec.
- 67.1 General.
- 67.1-1 Authority.
- 67.1-2 Purpose.
- 67.1-3 Definitions.
- 67.1-4 Policy.
- 67.1-5 Program.
- 67.1-6 Scope of program.
- 67.2 Organization.
- 67.2-1 Office of Industrial Personnel Access Authorization Review.
- 67.2-2 Industrial Personnel Access Authorization Screening Board.
- 67.2-3 Industrial Personnel Access Authorization Field Boards.
- 67.2-4 Responsibilities of military departments for administrative support.
- 67.2-5 Central Industrial Personnel Access Authorization Board.
- 67.2-6 Composition of boards in agency cases.
- 67.2-7 Access authorization of nominees.
- 67.3 Standards and criteria.
- 67.3-1 Standard for issuing an access authorization.
- 67.3-2 Criteria for application of standard in cases involving individuals.
- 67.3-3 Guidance for the application of the standard and criteria.
- 67.4 Processing of cases.
- 67.4-1 Emergency action.
- 67.4-2 Forwarding cases.
- 67.4-3 Initial adjudication procedures (Screening Board action).
- 67.4-4 Personal appearance.
- 67.4-5 Procedures for personal appearance proceedings.
- 67.4-6 Field Board's report.
- 67.4-7 Action by the Central Industrial Personnel Access Authorization Board.
- 67.4-8 Action by the Secretary of Defense or the Administrators.
- 67.4-9 Procedure after final determinations.
- 67.4-10 Authority of the Secretary of Defense, and the Administrators, Federal Aviation Agency and National Aeronautics and Space Administration.
- 67.5 Miscellaneous.
- 67.5-1 Pending cases.
- 67.5-2 Reconsideration of prior decisions.
- 67.5-3 Monetary restitution.

AUTHORITY: §§ 67.1 to 67.5-3 issued under R.S. 161, sec. 202, 61 Stat. 500, as amended; 5 U.S.C. 22, 171a. E.O. 10501, Nov. 5, 1953, 18 F.R. 7049; 3 CFR (1953 Supp.) 115; E.O. 10865, Feb. 20, 1960, 25 F.R. 1583.

§ 67.1 General.

§ 67.1-1 Authority.

Part 67 is issued pursuant to the authority vested by law, including Executive Order 10865 (reproduced as Appendix A), in the Secretary of Defense. By an exchange of letters between the Secretary of Defense and the Administrators of the Federal Aviation Agency and the National Aeronautics and Space Administration, and as provided for in section 1(b), Executive Order 10865, the Department of Defense has been authorized to act for and in behalf of the Federal Aviation Agency and the National Aeronautics and Space Administration in the performance of the administrative and personnel services set forth in this Part 67.

§ 67.1-2 Purpose.

(a) The Secretary of Defense and the Administrators of the Federal Aviation Agency, and the National Aeronautics and Space Administration have prescribed specific requirements, restrictions, and other safeguards which they consider necessary to protect (1) releases of classified information to or within United States industry that relate to bids, negotiations, awards, or the performance or termination of contracts with their department or agency, and (2) other releases of classified information to or within industry which their department or agency has responsibility for safeguarding. In this connection, this Part 67 prescribes uniform standards, criteria, and procedures for processing to final determination all cases which come within the scope of the Industrial Personnel Access Authorization Review Program.

(b) Pursuant to the agreement made between the Department of Defense, and the Federal Aviation Agency, and the National Aeronautics and Space Administration (provided for in section 1(b), Executive Order 10865), this Part 67 has been extended to apply to protect the releases of classified information specified in paragraph (a) of this section. The boards and instrumentalities provided for in this Part 67 are hereby authorized to assume jurisdiction over, and as hereinafter provided, to process and make determinations in cases arising out of such releases of classified information.

(c) This Part 67 is issued to conform the Industrial Personnel Access Authorization Review Program to the requirements of Executive Order 10865.

§ 67.1-3 Definitions.

(a) Whenever the words "Department of Defense", or "Department of Defense agency or activity", or "military department" are used in this Part 67, they shall be deemed to include where applicable the Federal Aviation Agency, or the National Aeronautics and Space Administration.

(b) *Access authorization.* An authorization to have access to one or more categories of information classified in accordance with Executive Order 10501. (NOTE: Actual access, when authorized, requires both an access authorization and a "need to know.") In the case of a contractor, an "access authoriza-

tion" is an authorization for the contractor involved to have access to specific categories of classified information provided such access is (1) required in connection with the bidding, negotiation, award, performance, or termination of contracts with a Department of Defense agency or activity or (2) required in connection with other releases of classified information to or within industry. In the case of a contractor employee, an "access authorization" is an authorization for the employee to have access to specific categories of classified information provided such access is (1) required for the performance of his work with a particular contractor on contracts with a Department of Defense agency or activity or (ii) required in connection with the release of classified information to or within industry.

(c) *Administrator.* The Administrator of the Federal Aviation Agency, or the National Aeronautics and Space Administration.

(d) *Agency case.* A case arising out of the release of classified information to or within industry directly by the Federal Aviation Agency or the National Aeronautics and Space Administration in connection with the bidding, negotiation, award, or performance or termination of a contract by one of those agencies.

(e) *Applicant.* Any person who is eligible to have the matter of granting, revoking, or denying him an access authorization determined or reconsidered under the Industrial Personnel Access Authorization Review Program (Part 67) as provided for in §§ 67.1-6 and 67.5-2.

(f) *Contractor.* An industrial, educational, commercial, or other entity which has executed a contract or a Department of Defense Security Agreement (DD Form 441) with a Department of Defense agency or activity.

(g) *Personal appearance proceeding.* A proceeding before the New York, Washington, or Los Angeles Industrial Personnel Access Authorization Field Board convened and conducted in accordance with this Part 67. The use of the terms "personal appearance proceeding" or "proceeding" in this Part 67 does not imply, and shall not be construed to mean, that such procedures are subject to the provisions of the Administrative Procedure Act, or that the rules of evidence customary in the courts of the United States shall be applied.

§ 67.1-4 Policy.

(a) The responsibilities of the Department of Defense, including those imposed by the President in Executive Order 10865, necessitate application of policies designed to minimize the possibility of compromise incident to placing classified information in the hands of industry. Adequate measures will be taken to insure that no person is granted, or is allowed to retain, an authorization for access to classified information unless the available information justifies a finding that such access authorization, at the specific classification category granted, is clearly consistent with the national interest.

(b) A determination that granting or retaining authorization for access to in-

formation of a specific classification category is not clearly consistent with the national interest shall result in denying or revoking authorization for such access. Any determination under this Part 67 adverse to an applicant shall be a determination in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned. A determination under this Part 67 favorable to an applicant is not, in and of itself, an access authorization; nor is it in any sense a determination that the applicant concerned actually requires access to classified information. Since an access authorization relates only to access to classified information, denying or revoking such an authorization does not preclude participation in unclassified work.

(c) In the absence of the power to subpoena witnesses, the Secretary of Defense, through the Director, Office of Industrial Personnel Access Authorization Review, may issue in appropriate cases invitations and requests to appear and testify, and may defray reasonable and necessary expenses incurred by such witnesses, in order that the applicant may have the opportunity for cross-examination provided by this Part 67. So far as the national security permits, investigative agencies under the control of the Department of Defense shall cooperate by identifying to the Office of Industrial Personnel Access Authorization Review, persons who have made statements adverse to the applicant and by assisting in making such persons available for cross-examination.

(d) All personnel involved in the processing of cases under the Industrial Personnel Access Authorization Review Program shall comply with the applicable directives pertaining to the safeguarding of classified information and the handling of investigative reports. No classified information, nor any information which might compromise investigative sources or methods or the identity of confidential informants, shall be disclosed to any applicant, or to his counsel or representatives, or to any other person not authorized to have access to such information. In cases involving individual applicants, the employer concerned may be advised only of the final determination in the case and of any interim decision to suspend an access authorization previously granted. Except at the written request of the applicant, the Department of Defense shall not release copies of the Statement of Reasons or findings relative thereto outside of the Executive Branch of the Government.

§ 67.1-5 Program.

The Industrial Personnel Access Authorization Review Program is hereby revised, modified, and continued in accordance with this Part 67. The Program shall be administered by the Director, Office of Industrial Personnel Access Authorization Review, who shall have a staff for that purpose. The Office of Industrial Personnel Access Authorization Review shall consist of the following elements:

(a) The Office of the Director.

(b) The Industrial Personnel Access Authorization Screening Board (hereinafter called the Screening Board).

(c) The Industrial Personnel Access Authorization Field Boards (hereinafter called the Field Boards).

(d) The Central Industrial Personnel Access Authorization Board (hereinafter called the Central Board).

§ 67.1-6 Scope of program.

(a) Except as provided in subparagraph (4) of this paragraph the procedures established in this Part 67 shall be applicable to cases in which the applicant is eligible under the Armed Forces Industrial Security Regulation for consideration as to the granting or continuing of an access authorization and in addition thereto:

(1) A Department of Defense agency or activity has recommended that an access authorization of a contractor or contractor employee be denied or revoked;

(2) A Department of Defense agency or activity has suspended an access authorization of a contractor or contractor employee;

(3) A Department of Defense agency or activity has denied or withdrawn a temporary access authorization from an individual, other than a foreign national, who falls within such categories as may be established under this subparagraph (3); or

(4) Action is requested by the Secretary of Defense, or the Secretary of any military department or the Administrator concerned.

(b) Once access authorization has been suspended, or a Statement of Reasons has been issued, or a temporary authorization for access has been withdrawn or denied in the case of applicants included in categories established under paragraph (a) of this section, these procedures may be invoked by an applicant even though his employment has been terminated.

§ 67.2 Organization.

§ 67.2-1 Office of Industrial Personnel Access Authorization Review.

(a) *Organization.* (1) The Office of Industrial Personnel Access Authorization Review shall be established in the Office of the Secretary of Defense and will function under the administrative jurisdiction of the Assistant Secretary of Defense (MP&R). The Office shall be headed by a civilian Director appointed by the Secretary of Defense after consultation with the Assistant Secretary of Defense (MP&R) and the Secretaries of the Army, Navy and Air Force. Policy guidance for the operation of the program including manpower and personnel requirements shall be provided by the Assistant Secretary of Defense (MP&R). The Director shall be responsible for administering the Industrial Personnel Access Authorization Review Program, including its constituent boards; he shall advise and consult with the Secretaries of the Army, Navy and Air Force in carrying out this responsibility. He shall be responsible for ensuring that the Screening, Field and Central Boards are provided with such advice, assistance and

personnel, including legal and security advice, as he considers necessary to enable these elements properly to carry out their functions under this Program. He shall have such professional, technical, and clerical staff as he may require to carry out his responsibilities, as set out herein, and such other related responsibilities as may be prescribed. The Director is authorized to obtain information, assistance, and advice directly from any agency or activity of the Department of Defense, and, in accordance with established policies, from other agencies of the Government. He shall prepare monthly reports showing caseloads and the status of pending cases. The Director may issue such supplemental instructions, not inconsistent with this Part 67, as may be desirable for the administration and efficient operation of this Program, including rules for the processing of cases, the conduct of screenings, personal appearance proceedings, determinations and reviews, and for guidance in the application of the standard and criteria set forth in § 67.3. In any particular case, the Director may request additional investigation to be made subject to the provisions of any agreements with investigative agencies outside the Department of Defense.

(2) The Office of Industrial Personnel Access Authorization Review shall be located in the Pentagon and shall be supported administratively by the Office of the Secretary of Defense. The military departments shall make appropriate allocations of funds, military and civilian personnel, and personnel spaces.

(3) Communications shall be addressed to the Director, Office of Industrial Personnel Access Authorization Review, The Pentagon, Washington 25, D.C.

(b) *Department counsel.* The Office of Industrial Personnel Access Authorization Review shall include within its staff a sufficient number of qualified attorneys, who may be stationed in Washington, D.C. or at such other locations as the Director may select; to act as counsel for the Department of Defense in each case in which a personal appearance proceeding is held under this Part 67. When designated by the Director to serve in this capacity, department counsel shall perform the functions normally and customarily associated with said position. Department counsel shall also advise and assist the Screening Board as required, and shall represent the Department of Defense before the Central Board when appropriate.

(c) *Files.* The complete files of all review cases pertaining to industrial personnel shall be maintained by the Department of the Army.

§ 67.2-2 Industrial Personnel Access Authorization Screening Board.

(a) The Screening Board shall be located in the Office of Industrial Personnel Access Authorization Review and shall be responsible for the performance of the duties and functions hereinafter prescribed.

(b) The Secretary of each military department shall appoint one or more members, military or civilian, to the Screening Board as the caseload requires.

Appropriate official designated by each Secretary will submit nominations through the Director, who will review the qualifications of each nominee and make an appropriate recommendation to the Secretary concerned. Except as provided in § 67.2-6, any three members so appointed, one from each military department, shall constitute a quorum-panel so that more than one panel may be convened at the same time. The Director shall designate one member to serve as Chairman of the Screening Board.

(c) The Screening Board shall have jurisdiction over all cases which are referred to it in accordance with this Part 67.

§ 67.2-3 Industrial Personnel Access Authorization Field Boards.

(a) There shall be three field boards, which shall be known as the New York, the Washington and the Los Angeles Industrial Personnel Access Authorization Field Boards and which shall be located in said cities. Additional field boards may be established by the Director with the approval of the Secretaries of the Army, Navy and Air Force. Panels of existing field boards may be convened at other locations to provide prompt and convenient personal appearance proceedings. Each field board shall be responsible for the performance of the duties and functions hereinafter prescribed.

(b) The Secretary of each military department shall appoint one or more members, military or civilian, to each field board as the caseload requires. Appropriate officials designated by each Secretary will submit nominations through the Director, who will review the qualifications of each nominee and make an appropriate recommendation to the Secretary concerned. The Director shall designate either one member of the board or a staff member to serve as administrative director of each board who will be responsible for the immediate operations of the board. A quorum-panel may consist of any one civilian member who is a qualified attorney, or of any three members, one from each military department, of whom at least one shall be a civilian and at least one shall be a qualified attorney. When a panel of three members is convened, the administrative director shall designate one member to act as Chairman. A quorum-panel may exercise all of the authority conferred on the board or Chairman by this Part 67.

(c) Each field board will have jurisdiction over all cases referred to it in accordance with this Part 67.

§ 67.2-4 Responsibilities of military departments for administrative support.

(a) Except as provided in paragraph (b) of this section, the field boards shall be supported administratively by the following military departments, which shall appoint such other personnel as may be required by the Director to assist each field board:

New York Industrial Personnel Access Authorization Field Board Department of the Army.

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Washington Industrial Personnel Access Authorization Field Board Department of the Air Force.

Los Angeles Industrial Personnel Access Authorization Field Board Department of the Navy.

(b) Whenever, pursuant to direction of the Director, a panel of a field board established under § 67.2-3(a), is convened at any of the following named locations, the commanders named, respectively, shall arrange or provide for the administrative support needed by such board panel in order to discharge its official business at such locations:

Alaska: Commander, Alaskan Air Command.

Virgin Islands, Canal Zone, and Puerto Rico: Commanding General, USA, Caribbean. Guam, American Samoa, Wake, Midway, Guano Island and Hawaii: Commandant, 14th Naval District.

(c) Where a panel of a field board is convened at a location other than its principal office or at a location outside the jurisdiction of the commanders named in paragraph (b) of this section, the military department requested by the Director shall provide space, facilities and clerical personnel for each personal appearance proceeding and for the prompt making of a verbatim transcript thereof.

(d) As a verbatim transcript will be required of each personal appearance proceeding before a field board, it is the responsibility of each of the above mentioned commanders to provide the necessary personnel and facilities for the prompt making of such transcripts.

§ 67.2-5 Central Industrial Personnel Access Authorization Board.

(a) There is hereby established a Central Board, which shall be located in the Office of Industrial Personnel Access Authorization Review, and shall be responsible for the performance of the duties and functions hereinafter prescribed.

(b) The Secretary of each military department shall appoint one or more members, military or civilian, to the Central Board as the caseload requires. Appropriate officials designated by each Secretary will submit nominations through the Director, who will review the qualifications of each nominee and make an appropriate recommendation to the Secretary concerned. The Director shall designate one member to serve as Chairman of the Central Board. Except as provided in § 67.2-6, any three members so appointed, one from each military department, shall constitute a quorum-panel so that more than one panel may be convened at the same time. One of the members of each quorum-panel must be a qualified lawyer and each quorum-panel shall include at least one civilian.

(c) The Central Board shall have jurisdiction over all cases referred to it in accordance with this Part 67.

§ 67.2-6 Composition of boards in agency cases.

(a) Whenever an agency case is referred for consideration and determination under the Program the Administrator concerned shall be entitled

to appoint one member to the Screening Board and two members to the Central Board. Such appointments shall conform to the requirements of § 67.2-7.

(b) Whenever an agency case is referred to the Screening or Central Boards, the Director shall notify the Administrator concerned thereof. The Administrator, or his designee, shall, in their absolute discretion, exercise or waive the right of his agency to be represented on the board involved and shall notify the Director thereof in writing, which notification shall be made a permanent part of the record in the case. If the right is exercised, the Screening Board panel to which the case is referred shall consist of four members and the Central Board panel of five members, instead of the usual three members; if it is waived the board shall be constituted as provided in § 67.2-2, or § 67.2-5.

§ 67.2-7 Access authorization of nominees.

No person shall be appointed Director, board member, or staff member under this Program until such person has been granted an authorization for access to Top Secret information, or its equivalent, based on a background investigation.

§ 67.3 Standard and criteria.

§ 67.3-1 Standard for issuing an access authorization.

Authorization for access to classified information of a specific classification category shall be granted or continued only if it is determined that such access by the applicant is clearly consistent with the national interest.

§ 67.3-2 Criteria for application of standard in cases involving individuals.

(a) Commission of any act of sabotage, espionage, treason, or sedition or attempts thereat or preparation therefor, or conspiring with, or aiding or abetting, another to commit or attempt to commit any act of sabotage, espionage, treason or sedition.

(b) Establishing or continuing a sympathetic association with a saboteur, spy, traitor, seditionist, anarchist, revolutionist, or with an espionage agent or other secret representative of a foreign nation whose interests may be inimical to the interests of the United States, or with any person who advocates the use of force or violence to overthrow the Government of the United States or the alteration of the form of Government of the United States by unconstitutional means.

(c) Advocacy of use of force or violence to overthrow the Government of the United States, or of the alteration of the form of Government of the United States by unconstitutional means.

(d) Membership in, or affiliation or sympathetic association with, or participation in the activities of any foreign or domestic organization, association, movement, group, or combination of persons which is totalitarian, fascist, communist, or subversive, or which has adopted or shows, a policy of advocating or approving the commission of acts of

force or violence to deny other persons their rights under the Constitution of the United States, or which seeks to alter the form of Government of the United States by unconstitutional means.

(e) Intentional, unauthorized disclosure to any person of classified information, or of other information, disclosure of which is prohibited by law.

(f) Performing or attempting to perform his duties, or otherwise acting, so as to serve the interests of another government in preference to the interests of the United States.

(g) Participation in the activities of an organization established as a front for an organization referred to in paragraph (d) of this section, under circumstances indicating that his personal views were sympathetic to the subversive purposes of such organization.

(h) Participation in the activities of an organization with knowledge that it had been infiltrated by members of subversive groups under circumstances indicating that the individual was a part of, or sympathetic to, the infiltrating element or sympathetic to its purposes.

(i) Sympathetic interest in totalitarian, fascist, communist, or similar subversive movements.

(j) Sympathetic association with a member, or members, or an organization referred to in paragraph (d) of this section. (Ordinarily, this will not include chance or occasional meetings, nor contacts limited to normal business or official relations.)

(k) Currently maintaining a close continuing association with a person who has engaged in activities or associations of the type referred to in paragraph (a) through (i) of this section. A close continuing association may be deemed to exist if the individual lives at the same premises as, frequently visits, or frequently communicates with such person.

(l) Close continuing association of the type described in paragraph (k) of this section, even though later separated by distance, if the circumstances indicate that renewal of the association is probable.

(m) Willful violation or disregard of security regulations.

(n) Any behavior, activities, or associations which tend to show that the individual is not reliable or trustworthy.

(o) Any deliberate misrepresentations, falsifications or omission of material facts from a Personnel Security Questionnaire, Personal History Statement, or similar document.

(p) Any criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, habitual use of intoxicants to excess, drug addiction, or sexual perversion.

(q) Acts of a reckless, irresponsible or wanton nature which indicate such poor judgment and instability as to suggest that the individual might disclose classified information to unauthorized persons, or otherwise assist such persons, whether deliberately or inadvertently, in activities inimical to the national interest.

(r) Any illness, including any mental condition, of a nature which, in the opinion of competent medical authority,

may cause significant defect in the judgment or reliability of the employee, with due regard to the transient or continuing effect of the illness and the medical findings in such case.

(s) Any facts which furnish reason to believe that the individual may be subjected to coercion, influence, or pressure which may be likely to cause action contrary to the national interest.

(t) The presence of a spouse, parent, brother, sister, or offspring in a nation whose interests may be inimical to the interests of the United States, or in satellites or occupied areas of such a nation, under circumstances permitting coercion or pressure to be brought on the individual through such relatives which may be likely to cause action contrary to the national interest.

(u) Refusal by the individual, without satisfactory subsequent explanation, to answer questions before a Congressional or legislative committee, or Federal or State court or other tribunal, regarding charges of his alleged disloyalty or other misconduct.

§ 67.3-3 Guidance for the application of the standard and criteria.

(a) The activities and associations listed in § 67.3-2, describe conduct which may, in the light of all the surrounding circumstances, be the basis for denying or revoking an access authorization. The conduct varies in implication, degree of seriousness and significance depending upon all the factors in a particular case. Therefore, the ultimate determination of whether an authorization should be granted or continued must be an over-all common-sense one on the basis of all the information which may properly be considered under this Part 67 including but not restricted to such factors, when appropriate, as the following: the seriousness of the conduct, its implications, its recency, the motivations for it, the extent to which it was voluntary and undertaken with knowledge of the circumstances involved and, to the extent that it can be estimated and is appropriate in a particular case, the probability that it will continue in the future.

(b) Legitimate labor activities shall not be considered in determining whether access authorization should be granted or continued.

(c) It is essential to the efficient, economical, and equitable operation not only of the Industrial Personnel Access Authorization Review Program, but of the total procedures whereby the Department of Defense authorizes access to classified information, that applicants provide full, frank and truthful answers when they complete official questionnaires or other similar documents, or respond to official inquiries. Accordingly, the deliberate giving of false or misleading testimony or information on relevant matters, may be sufficient standing alone to justify denying or revoking access authorization and shall be weighed carefully before a determination is reached under this Program.

(d) The granting or continuing of an authorization for access to a contractor is not clearly consistent with the national interest if the access authorization of

an owner, officer, director, or any executive of the contractor who is required to have such an access authorization, has not been, or would not be, granted under the standard and criteria set forth in §§ 67.3-1 and 67.3-2.

§ 67.4 Processing of cases.

§ 67.4-1 Emergency action.

Department of Defense activities or agencies may not make a final determination denying or revoking an authorization for access. In exceptional cases officials authorized by the military department concerned may suspend an authorization previously granted to an individual (but not to a facility) when, in the opinion of the authorized official, the individual's continued access to classified information, pending action by the Screening Board, would constitute an immediate threat to the national interest. Any such suspension action shall be reviewed by the Screening Board to determine its propriety.

§ 67.4-2 Forwarding cases.

Department of Defense activities or agencies shall forward to the Director all cases prescribed in § 67.1-6(a), together with the complete file, including the recommendation in the case, the reasons therefor, and all other available information and material relevant to a determination. After ensuring that the file has been properly prepared and transmitted, the Director shall forward it to the Screening Board for appropriate action.

§ 67.4-3 Initial adjudication procedures (Screening Board action).

(a) The Screening Board shall review each case referred to it by the Director and shall determine in accordance with the standard and criteria set forth in § 67.3 of this Part 67 whether the reported information warrants (1) authorizing or continuing to authorize access at the specific classification category requested or (2) further processing as set forth below.

(b) With respect to any case pending before it, the Screening Board may request the Director to:

(1) Request further investigation, specifying the particular points on which the Board feels its information is not adequate.

(2) Issue to the applicant such written interrogatories as the Board may deem desirable.

(3) Arrange for an interview with the applicant.

(4) Arrange for an interview with any witness who has given information relevant to a decision in the case.

(c) The Screening Board may, with respect to any case pending before it, determine at any time that an existing authorization shall be suspended. Upon any such determination, the Director shall notify the applicant, the contractor, the office of the cognizant military department and the agency or activity which forwarded the case to him.

(d) If the Screening Board determines that access at the specific classification category requested should be granted or continued in effect, it shall prepare its determination in accordance with the

instructions set out in paragraph (i) of this section. The Director shall notify the agency or activity which forwarded the case to him of the determination and instruct it to effect the authorization where appropriate. The Screening Board shall reconsider its determination at the request of the Secretary of Defense, the Secretary of a military department, or the Administrator concerned.

(e) If the Screening Board concludes on the basis of the information available to it and in accordance with the standard and criteria set forth in § 67.3 that the case does not warrant a determination favorable to the applicant, it shall prepare a Statement of Reasons informing the applicant of the grounds upon which his access authorization may be defined or revoked. This Statement of Reasons shall be as comprehensive and detailed as the national security permits. At the time a Statement of Reasons is issued, any access authorization previously granted for Secret or Top Secret shall be suspended or limited to Confidential unless such access authorization was granted pursuant to board action under any industrial personnel review program in which case the Screening Board shall determine whether the access authorization should be suspended or limited. The Screening Board shall also determine whether any access authorization previously granted for Confidential should be suspended or limited.

(f) The Director shall forward the Statement of Reasons and a copy of this Part 67 to the applicant and shall inform him of the status of his access authorization pending a final determination. An applicant who has been served with a Statement of Reasons and who has filed under oath or affirmation a written reply thereto which complies with the requirements of paragraph (g) of this paragraph shall be afforded:

(1) An opportunity to appear personally before a field board for the purpose of supporting his eligibility for access authorization and of presenting evidence in his own behalf.

(2) A reasonable time to prepare for that appearance.

(3) An opportunity to be represented by counsel without cost to the Government.

(4) The opportunity to cross-examine adverse witnesses prescribed in § 67.4-5 (b).

(g) Before an applicant is afforded an opportunity to make a personal appearance before a field board he must submit a detailed written answer under oath or affirmation specifically admitting, denying or disclaiming knowledge of each allegation and each supporting fact alleged in the Statement of Reasons. The applicant's answer must either admit or deny each allegation or supporting fact, giving such explanation as may be available to him, or disclaim knowledge thereof. A general denial or other similar answer is not sufficient. The applicant must set out his position with sufficient particularity to disclose the basis thereof, in order that the Department of Defense may determine in advance of the personal appearance proceeding whether the allegations and supporting facts are wholly denied, denied in part,

or wholly admitted and make arrangements to produce such information in support as may be required. The Director may decline to accept answers which do not meet the above requirements and, upon notice to the applicant, may refuse to continue to process his application. In that event, the Director shall suspend any access authorization then in effect and give appropriate notice. In the alternative, the Director may forward the case to a field board which may treat allegations or supporting facts with respect to which the Director finds the answer is insufficient as established for the purpose of making a determination under this Program.

(h) Where the applicant:

(1) Files an answer which complies with paragraph (g) of this section, and requests a personal appearance proceeding, or where, although the answer is insufficient, the Director elects to proceed as provided for in said paragraph (g) of this section, the Director shall assign the case to a field board for a proceeding.

(2) Files an answer which complies with paragraph (g) of this section, but elects not to request a personal appearance proceeding, the Director shall assign the case to the Central Board for determination on the basis of all available information including the answer and all documents in support thereof.

(3) Does not answer, the Director shall instruct the department which forwarded the case to deny or revoke access authorization, as appropriate, and shall advise the applicant.

(i) All determinations by the Screening Board shall be made in executive session. A determination to grant or continue access authorization shall be by unanimous vote. No person other than members of the Board shall be present when the Board deliberates and reaches its determination.

(j) Decisions adverse to the applicant announced by the Director in accordance with paragraph (h)(3) of this section, may be reconsidered by the Screening Board at the request of the Director, or at the request of the applicant addressed through the Director, after a finding by the Screening Board that there is newly discovered evidence or that other good cause has been shown.

§ 67.4-4 Personal appearance.

(a) Promptly after being notified by the Director that a case has been referred for a personal appearance proceeding, the Chairman of the field board shall set a time and place for the proceeding and inform the applicant thereof. Personal appearance proceedings shall be held as soon as practicable, allowing the applicant and the Department of Defense a reasonable time to prepare. Postponements may be granted by the Chairman in his sound discretion upon application by either party with notice to the other.

(b) Normally, a personal appearance proceeding shall be held at the home office of the field board concerned. When the applicant so requests and when in the discretion of the Chairman equity to him requires that the proceeding be held in a different place, or when the interests

of the government would be served thereby, field boards, subject to the overall authority of the Director, may arrange to convene at such times and places as will best meet the above objectives.

(c) It is to the advantage of both the applicant and the Department to shorten and simplify the proceedings before the field board by stating the issues and arriving at an agreed-upon version of the facts in the case when it is possible to do so. Department counsel is authorized to consult directly with the applicant, or if he has counsel or representative, with them, for purposes of reaching mutual agreement upon arrangements for an expeditious proceeding in the case. Such arrangements may include clarification of issues, and stipulations with respect to testimony and the contents of documents and other physical evidence. Such stipulations when entered into shall be binding upon the applicant and the Department of Defense for the purpose of these proceedings.

(d) The applicant is responsible for producing witnesses in his own behalf or presenting other evidence before the field board to support his reply to the Statement of Reasons. When specific assistance is requested, however, the department counsel and the Chairman of the field board may provide such assistance, upon a showing that it is practicable and necessary. In the Chairman's sound discretion, invitations to attend the proceeding as witnesses in the applicant's behalf, or requests for specific documents or other physical evidence, may be tendered upon application, provided a showing of the necessity for such assistance has been made.

(e) Department counsel is responsible for producing at the proceeding witnesses and information relied upon by the Department to establish these facts alleged in the Statement of Reasons which have been controverted. Every reasonable and practicable effort shall be made to obtain witnesses and to facilitate their appearance in accordance with the policy set out in § 67.1-4(c). When requested all Department of Defense agencies and activities shall cooperate in carrying out this policy.

(f) Where an applicant who has requested an opportunity to appear fails without sufficient reason therefor to appear at the time and place set for the proceeding, or at any postponement thereof, and has not requested that his case be determined on the basis of all available information including any written material he may have submitted, the field board shall return the case to the Director without further action. The Director shall then take action under § 67.4-3(b)(3).

§ 67.4-5 Procedures for personal appearance proceedings.

(a) *General provisions.* (1) Personal appearance proceedings are designed to ascertain all the relevant facts in a case to aid in reaching fair and impartial determinations. Such proceedings are not to be conducted with the formality of a court proceeding or of an administrative hearing conducted under the Administrative Procedure Act, but rather

as administrative inquiries held for the purpose of affording the person concerned an opportunity to appear for the purpose of supporting his eligibility for an access authorization and to permit the Department of Defense to inquire fully into the matters related to the particular case. As provided in paragraph (b)(1) of this section, the customary rules of evidence shall not be controlling.

(2) Personal appearance proceedings conducted under this Part 67 are not adversary in nature. Nevertheless, a careful and searching inquiry into the facts is necessary if the objectives of this Part 67 are to be effectuated. Field Boards shall be alert to the necessity for identifying and resolving disputed issues of fact whenever possible and shall make their rulings with these considerations in mind.

(3) Personal appearance proceedings shall be conducted in an orderly manner and in an atmosphere of dignity and decorum. They may be attended only by the members of the field board, the applicant and his counsel or representatives, authorized personnel of the Department of Defense and necessary clerical personnel. Unless the Chairman of the field board rules otherwise, a witness may be present only when he is testifying.

(4) The Director shall designate a qualified attorney to represent the Department of Defense and to act as department counsel in each case. He shall represent the Department, and shall be responsible for making a complete record and for placing before the field board all material which may properly be incorporated therein. He shall question Department of Defense witnesses and cross-examine witnesses produced by the applicant, although the field board may also question any witness.

(5) After the proceeding has been convened, and the Statement of Reasons and the applicant's answer thereto have been entered into the record, normally the applicant shall have the right to make a general opening statement either in person or by counsel, and to present his case. He may call witnesses, testify in his own behalf if he so desires and present documents, or other information, in support of his application for access authorization and cross-examine witnesses produced by the Department of Defense.

(6) Witnesses before the field board shall testify subject to the provisions of sec. 1001, Title 18, U.S. Code. Before testifying they shall be informed that said section makes it a criminal offense punishable by a maximum of five years imprisonment, \$10,000 fine, or both, knowingly and willfully to make a false statement or representation to any department or agency of the United States as to any matter within the jurisdiction of any department or agency of the United States. Written interrogatories must be sworn to before a notary public or other official authorized to administer oaths.

(7) When appropriate the field board shall amend the Statement of Reasons to conform it with the information available and enter the amendment into the record. When such amendments are made, the Chairman of the field board

shall grant the applicant such additional time as, in his sound discretion, he deems appropriate to answer such amendments and to secure and present evidence pertaining thereto.

(8) The field board may recess the proceeding at any time at the request of the applicant or his counsel, department counsel, or upon its own motion.

(9) Before the Chairman of the field board adjourns the proceeding, he shall ask the applicant whether he desires additional time to secure and present additional evidence or to submit a brief. If the applicant desires to present such additional material, the field board shall determine the time within which it must be presented and the form in which it will be received. The Chairman shall also advise the applicant that announcement of the determination in his case will be made by the Director, Office of Industrial Personnel Access Authorization Review.

(10) A verbatim transcript (in triplicate) shall be made of the proceedings and such transcript shall become a permanent part of the record. The transcript shall not include information introduced in accordance with the provisions of paragraph (b) (5) and (6) of this section. The applicant or his designated representative shall be furnished without cost one copy of the transcript, less the exhibits, upon his request. The transcript shall be reviewed by the board prior to release to ensure that it contains no classified information, nor any information which might compromise investigative sources or methods or the identity of confidential informants.

(11) If the applicant or his counsel desires to submit corrections in the transcript to the field board, he shall note the corrections on a separate statement designating the page and line. The statement of corrections must be filed within the time set by the field board which shall determine what corrections are allowable, shall enter on the transcript by marginal notation the corrections which are allowed, and shall enter on the statement filed by the applicant the corrections which are rejected. This statement shall be made a permanent part of the record. The Chairman of the field board in his discretion may call upon the applicant or his counsel for a discussion of the corrections. Corrections shall be allowed solely for the purpose of conforming the transcript to the actual testimony.

(12) Whenever the field board concludes with respect to an issue of fact that the investigation is inadequate or that all of the information has not been fully developed or explored, it may request that further investigation be conducted and in appropriate cases may recess the proceeding pending such investigation. Such requests shall be addressed to the Director through the department counsel. Information developed through supplemental investigation shall be made available to the board in the same manner as information developed in the original investigation.

(b) *Introduction of information.* (1) The record shall consist exclusively of all information presented by the Depart-

ment of Defense in accordance with this Part 67, together with all information submitted by the applicant. The record shall not be limited to evidence admissible in the courts of the United States. Any oral or documentary evidence may be received if otherwise admissible under this Part 67 and accorded the weight deemed appropriate, but irrelevant, immaterial or unduly repetitious material may be excluded, in the sound discretion of the Chairman of the field board. Efforts shall be made to obtain the best evidence available.

(2) Unless permitted by subparagraphs (5) and (6) of this paragraph, the record may contain no information adverse to the applicant on any controverted issue unless (i) the information or its substance has been made available to the applicant and he offers no objection to its presentation; or (ii) the information or its substance is made available to him and the applicant is afforded an opportunity to cross-examine the person providing the information either orally or by written interrogatories. The foregoing shall not apply to information bearing upon the characterization in the Statement of Reasons of any organization or individual other than the applicant. Information the admission of which is not prohibited by this subparagraph (2), or by any other provision of this Part 67, may be received and made part of the record and may be considered by any board or official charged with making determinations under this Part 67.

(3) Prior to the referral of a case to a field board for a personal appearance proceeding, the Director, Office of Industrial Personnel Access Authorization Review, upon application by either the applicant or the department counsel, shall rule whether, in the light of all the circumstances, testimony shall be taken personally, by deposition, or through cross-interrogatories. In making this ruling, the Director shall exercise his sound discretion and shall state his reasons therefor. He may direct the applicant or his counsel, and department counsel to frame written interrogatories and upon application by either party shall rule upon the relevancy and materiality of any question to be incorporated therein. Once the case has been referred to the field board, the Chairman of the field board shall perform this function. Any action taken by the Director under this subparagraph (3) shall be reflected in the record where appropriate.

(4) Notwithstanding any other provision of this Part 67, records compiled in the regular course of business, or other physical evidence other than investigative reports as such, may be received and considered subject to rebuttal without authenticating witnesses, provided such information has been furnished by an investigative agency pursuant to its responsibilities in connection with assisting the Secretary of Defense or the Administrator of the Federal Aviation Agency or the National Aeronautics and Space Administration to safeguard classified information within

industry pursuant to Executive Order 10865. Such documents shall be exhibited to the applicant and when received by the field board shall be made a part of the record in the case.

(5) Records compiled in the regular course of business, or other physical evidence other than investigative reports as such, relating to a controverted issue, which, because they are classified, may not be inspected by the applicant, may be received and considered provided that (i) the Secretary of Defense or when appropriate, the Administrator of the Federal Aviation Agency or the National Aeronautics and Space Administration, or the Director, Office of Industrial Personnel Access Authorization Review, who has been designated as their special designee for that purpose pursuant to section 5b, Executive Order 10865, has made a preliminary determination that said physical evidence appears to be material, and that failure to receive and consider it would, in view of the level of access sought, be substantially harmful to the national security, and (ii) to the extent that the national security permits, a summary or description of said physical evidence shall be made available to the applicant. In every such case, information as to the authenticity and accuracy of such physical evidence furnished by the investigative agency involved shall be considered.

(6) A written or oral statement by a person adverse to the applicant on a controverted issue, and not relating to the characterization in the Statement of Reasons of any organization or individual other than the applicant, may be received and considered without affording an opportunity to cross-examine the person making the statement only in circumstances described in either of the following subdivisions (i) and (ii), provided however that a summary of the statement as comprehensive and detailed as the national security permits shall be made available to the applicant:

(i) The head of the department supplying the statement certifies that the person who furnished the information is a confidential informant who has been engaged in obtaining intelligence information for the Government and that disclosure of his identity would be substantially harmful to the national interest.

(ii) The Secretary of Defense or when appropriate, the Administrator of the Federal Aviation Agency or the National Aeronautics and Space Administration, or the Director, Office of Industrial Personnel Access Authorization Review, who has been designated as their special designee for that particular purpose pursuant to paragraph 4a(2) of Executive Order 10865, has preliminarily determined, after considering information furnished by the investigative agency involved as to the reliability of the person and the accuracy of the statement concerned, that the statement concerned appears to be reliable and material, and has determined that failure to receive and consider such statement would, in view of the level of access sought, be substantially harmful to the national security and that the person who furnished the information cannot appear to

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testify (a) due to death, severe illness, or similar cause, in which case the identity of the person and the information to be considered shall be made available to the applicant, or (b) due to some other cause determined by the Secretary or the Deputy Secretary of Defense, or when appropriate, by the Administrator or Deputy Administrator of the Federal Aviation Agency or the National Aeronautics and Space Administration to be good and sufficient.

(7) A written or oral statement of a person relating to the characterization in the Statement of Reasons or any organization or individual other than the applicant may be received and considered without affording the applicant an opportunity to cross-examine the person making the statement, irrespective of whether the statement is adverse to the applicant or relates to a controverted issue, provided the applicant is given notice that it has been received and may be considered by the board, and is informed of its contents to the extent permitted by § 67.1-4 of this Part 67.

(8) Whenever information is made a part of the record under the exceptions authorized by subparagraph (5) or (6) (i) or (ii) of this paragraph, the record shall contain certificates evidencing that the determinations required therein have been made. Such certificates shall include the reasons therefor and shall be made available to the applicant unless their disclosure is prohibited by § 67.1-4 of this Part 67.

(9) In any case where information is received by the field board pursuant to subparagraph (5) or (6) (i) or (ii) of this paragraph, a final determination adverse to the applicant in a Department of Defense case shall be made only by the Secretary of Defense, and in an agency case by the Administrator of the Federal Aviation Agency or of the National Aeronautics and Space Administration, as appropriate, based upon their personal review of the case.

§ 67.4-6 Field Board's report.

(a) As promptly as possible after the proceeding and after full consideration of the record and of any arguments made or briefs submitted, the field board shall prepare a report which shall include a recommended decision in the case, prepared in accordance with the standard and criteria set forth in § 67.3. The field board's report shall contain a recitation of the questions presented, a summary of the evidence received, findings of fact with respect to each allegation made, and its conclusion on each question presented for consideration. The field board's report shall be forwarded through the Director to the Central Industrial Personnel Access Authorization Board. The report shall not be made available to the applicant.

(b) Whenever an applicant has made a personal appearance before a field board, a decision adverse to him may be made only on grounds stated in the Statement of Reasons and any amendments thereto and must be based upon a record that is in conformity with Executive Order 10865 and this Part 67. A field board or the Central Board may not

receive or consider any information with respect to any fact in issue, unless such information is made available to such board in accordance with this Part 67.

(c) In every case where applicable, the field board shall give appropriate consideration to the fact that the applicant did not have the opportunity to inspect classified information or to identify or cross-examine persons constituting sources of information. It shall also give appropriate consideration to whether information was given under oath or affirmation, and whether or not the person concerned has had an opportunity to rebut it. In every case where classified physical evidence is involved, information as to the authenticity and accuracy of said physical evidence furnished by the investigative agency shall be considered.

§ 67.4-7 Action by the Central Industrial Personnel Access Authorization Board.

(a) Whenever a case is referred to the Central Board, it shall make a final determination subject to the provisions of § 67.4-9(c) of this Part 67, in cases which do not fall within the provisions of § 67.4-5(b) (5) or (6) (i) or (ii), specifying the specific category of classified information to which access shall be granted or continued where appropriate.

(b) In cases where the provisions of § 67.4-5(b) (5) or (6) (i) or (ii) apply, the Central Board shall (1) prepare a final determination where the decision is to grant or continue access at the specific classification category requested, or (2) where it concludes that access at that specific classification category is not warranted, it shall so notify the Director.

(c) Before the Central Board makes a final decision, it shall take the following action, as applicable:

(1) If the board reaches a tentative decision adverse to the applicant, it shall, through the Director, give notice thereof to the applicant together with notice of its proposed findings for or against him with respect to each allegation in the Statement of Reasons, and shall provide him with an opportunity to make an appearance before it, in person or by counsel, or to file a written brief. Within ten (10) calendar days after his receipt of such notice, the applicant may file with the board a written notice of intention to appear or to file a written brief. If the applicant files such written notice of intention, the board shall fix as early a date as practicable for filing a written brief or making a personal appearance before it, and, through the Director, shall give notice thereof to both the applicant and department counsel and at the same time shall furnish department counsel with copies of the tentative decision and proposed findings as previously furnished to the applicant.

(2) If the board reaches a tentative decision favorable to the applicant, it shall, through the Director, give notice thereof to the department counsel together with notice of its proposed findings for or against the applicant with respect to each allegation in the Statement of Reasons, and shall provide department counsel with an opportunity to

make an appearance before it, or to file a written brief. Within ten (10) calendar days after receipt of this notice, department counsel may file with the board a written notice of intention to appear or to file a written brief. If department counsel files such written notice of intention, the board shall fix as early a date as practicable for filing written brief or making personal appearance before it, and, through the Director, shall give notice thereof to both department counsel and the applicant and at the same time shall furnish the applicant with copies of the tentative decision and proposed findings as previously furnished to department counsel.

(3) Personal appearances before the Central Board and written briefs filed with the Central Board are intended to permit the applicant and department counsel to present their positions based exclusively upon the record made before the field board, and shall not be used as a substitute for proceedings before such a board. Argument may be made, but witnesses shall not be heard and testimony shall not be taken.

(4) Under subparagraphs (1) and (2) of this paragraph, when the applicant or department counsel, as the case may be, has filed a written notice of intention, the other shall be entitled at the designated time to appear personally or file a written brief as he may prefer. Failure by him to utilize this opportunity shall be deemed a waiver thereof.

(5) After the applicant and department counsel have submitted written briefs or appeared before the Central Board, as provided in subparagraphs (1) and (2) of this paragraph, the board shall reach a final determination in all cases in which it is authorized to do so, and shall refer all other cases to the Director for action by him in accordance with § 67.4-8 of this Part 67. If the applicant under subparagraph (1) of this paragraph, or department counsel under subparagraph (2) of this paragraph, fails to file written notice of intention, or fails, after filing such notice, to appear or file a written brief in a timely manner, the tentative decision of the board shall automatically become final in all cases in which the board is authorized to make a final determination and notice thereof shall be given in accordance with § 67.4-9; in all other cases the tentative decision shall be referred to the Director for action by him in accordance with § 67.4-8.

(d) In reaching a determination or conclusion as hereinabove provided, the Central Board may adopt, modify or reverse the findings, conclusion, or recommendation of the field board, or may request further investigation or may return the case through the Director to the field board with instructions to take further testimony or conduct other proceedings. In each case it shall consider the matters set out in § 67.4-6(c).

(e) In cases in which it is authorized to reach a final determination, the Central Board shall prepare an opinion which shall include an analysis of the evidence, findings of fact and the reasoning on which the determination is based. The determination shall be reached by

majority vote, shall be signed by the members, and made a permanent part of the record in the case. If a determination is not unanimous, a minority opinion shall be filed.

§ 67.4-8 Action by the Secretary of Defense or the Administrators.

Whenever a case falls within the provisions of §§ 67.4-5(b) (5) or (6) (i) or (ii), and the Central Board concludes that access at the specific classification category requested is not warranted, the Director shall forward the case to the Secretary of Defense or the Administrator of the Federal Aviation Agency, or the National Aeronautics and Space Administration as appropriate for determination. The determination shall include a review of any determinations made pursuant to § 67.4-5(b) (6) (ii) (b) by any official other than the Secretary or the Administrator.

§ 67.4-9 Procedure after final determinations.

(a) Final determinations reached by the Central Board shall be announced by the Director who shall notify the applicant of the determination in his case. Where the determination is favorable to the applicant he shall be notified only of the final conclusion reached. Where the determination is adverse to the applicant, he shall be notified only of (1) the final conclusion reached, and (2) whether a finding was for or against him with respect to each allegation in the Statement of Reasons. The Director shall also give appropriate notice to the other parties concerned.

(b) Final determinations reached by the Secretary of Defense or the Administrator concerned shall be announced by the Director. Where the determination is favorable to the applicant he shall be notified only of the final conclusion reached. Where the determination is adverse to the applicant, he shall be notified only of (1) the final conclusion reached and (2) whether a finding was for or against him with respect to each allegation in the Statement of Reasons. The Director shall also give appropriate notice to the other parties concerned.

(c) Determinations of the Central Board shall be final subject only to:

(1) Reconsideration on its own motion, or at the request of the applicant, addressed through the Director, after it has made a finding that there is newly discovered evidence or that other good cause has been shown.

(2) Reconsideration by the Central Board at the request of the Secretary of Defense, the Secretary of any military department, the Director, or when appropriate, the Administrator concerned.

(3) Reversal by the Secretary of Defense or in agency cases reversal by the Administrator concerned after consultation with the Secretary of Defense.

§ 67.4-10 Authority of the Secretary of Defense, and the Administrators, Federal Aviation Agency and the National Aeronautics and Space Administration.

Nothing contained in this Part 67 shall be deemed to limit or affect the respon-

sibility and powers of the Secretary of Defense or of any Administrator personally, and without respect to this Part 67, to deny or revoke an access authorization in a case affecting his department or agency when he personally determines that the provisions of this Part 67 cannot be invoked consistent with the national security and that the security of the nation requires such denial or revocation of access authorization. Such determination shall be conclusive.

§ 67.5 Miscellaneous.

§ 67.5-1 Pending cases.

All cases presently pending in the Office of Industrial Personnel Access Authorization Review or before any board constituted under any industrial personnel review program shall be processed under this Part 67 unless a Statement of Reasons has been issued in the case and the applicant has been afforded a personal appearance proceeding substantially in accordance with the provisions of this Part 67.

§ 67.5-2 Reconsideration of prior decisions.

(a) Decisions rendered under any industrial personnel review program prior to the effective date of this Part 67 which denied or revoked an access authorization may be reconsidered by such boards as the Director deems appropriate at the request of the applicant, addressed through the Director, after a finding by the appropriate board that there is newly discovered evidence or that other good cause has been shown. Whenever a final determination of denial or revocation based upon a personal appearance proceeding is found to have been unauthorized at the time it was made, authority is hereby delegated to the Director, Office of Industrial Personnel Access Authorization Review, to vacate such final determination and all subsequent administrative action predicated thereon and to take such other steps as may be deemed necessary to complete reconsideration of the case.

(b) In cases where an access authorization has been previously granted and a Department of Defense agency or activity receives additional derogatory information which was not considered by a board at the time it decided the case, such agency or activity, when it is of the opinion, after reviewing the complete file including the record of any prior proceedings, that revocation of said authorization is warranted, shall forward the case to the Director through appropriate channels for referral to the Screening Board in accordance with § 67.4-2.

§ 67.5-3 Monetary restitution.

If an applicant suffers a loss of earnings resulting directly from a suspension, revocation, or denial of his access authorization, and at a later time a final administrative determination is made that the granting to him of an access authorization at least equivalent to that which was suspended, revoked or denied, would be clearly consistent with the national interest and it is determined by the board making a final favorable determination that the administrative

determination which resulted in the loss of earnings was unjustified, reimbursement of such loss of earnings may be allowed in an amount which shall not exceed the difference between the amount the applicant would have earned at the rate he was receiving on the date of suspension, revocation, or denial of his access authorization and the amount of his interim net earnings. The filing and processing of any such claim shall be in accordance with such regulations as the Secretary of Defense may prescribe after consultation with the Administrators. As used herein, earnings shall not include profits. Payment shall be limited to claims administratively determined to be just and equitable. No applicant shall be compensated for any increase in his loss of earnings caused by his voluntary action in unduly delaying the processing of his case under any industrial personnel review program. Payments under this provision shall be in full satisfaction of any and all claims, of whatever nature they may be, which the applicant has or may assert against the United States, or the Department of Defense or any of its agencies or activities, or the Federal Aviation Agency, or the National Aeronautics and Space Administration, or any of them, by reason of or arising out of the suspension, revocation or denial of access authorization.

Effective date. This Part 67 is effective immediately.

MAURICE W. ROCHE,
Administrative Secretary.

[F.R. Doc. 60-7432; Filed, Aug. 9, 1960;
8:49 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 204—DANGER ZONE REGULATIONS

Narragansett Bay, R.I.

Pursuant to the provisions of Section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U.S.C. 1), § 204.10 governing the use and navigation of danger zones for naval operations in Narragansett Bay, Rhode Island, is hereby amended revising paragraph (b) (2) and (3) as follows:

§ 204.10 Narragansett Bay, R.I.; danger zones for naval operations.

(b) *Torpedo-testing range and prohibited area, Naval Operating Base, Newport.* * * * (2) *The prohibited area.* An area overlapping the torpedo-testing range bounded as follows: Beginning at a point on the east shore of Conanicut Island at latitude 41°33'15"; thence southeasterly to latitude 41°32'44", longitude 71°21'17"; thence southerly to latitude 41°32'09", longitude 71°21'17"; thence southeasterly to latitude 41°31'-

Title 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 112—RATES AND CONDITIONS FOR SPECIFIC CLASSES

PART 168—DIRECTORY OF INTERNATIONAL MAIL

International Mail Regulations

The regulations of the Post Office Department are amended as follows:

I. In § 112.9 *Combination packages and articles grouped together*, amend subparagraph (3) of paragraph (a) by inserting "Australia" in the proper alphabetical order of countries therein which accept combination packages in the ordinary mail.

NOTE: The corresponding Postal Manual section is 222.913.

§ 168.1 Amendment.

II. In § 168.1 *Postal Union Mail*, make the following changes in paragraph (a):

A. In the tabular information preceding subparagraph (1), the information in the column headed "Surface rates" which applies to the classification "Matter for the blind" is amended to read "Domestic rates apply with certain exceptions. See § 112.5(d) and Part 28 of this chapter."

B. In subparagraph (1), amend subdivision (i) to read as follows:

(1) *Printed matter weight limits.* * * *

(i) To Paraguay and Peru a package of printed matter may weigh up to 11 pounds.

III. In § 168.5 *Individual country regulations*, make the following changes:

A. In country "Australia", under *Postal Union Mail*, amend the item *Observations* by adding a new paragraph to read as follows:

Combination mailings as defined in § 112.9(a) of this chapter are accepted.

B. In country "Cuba" under *Parcel Post*, make the following changes in the item *Observations*:

1. The first paragraph of the item *Observations* is amended to show that consular documents are not required for parcels valued at \$300 or less whether gifts or commercial shipments. As so amended, the first paragraph reads as follows:

Observations. The senders of parcels valued at over \$300 mailed at localities where Cuban consular representatives are stationed must present to such consular representatives, for consular certification, 1 original invoice and 5 copies. Only one set (6 copies) of invoices is necessary for one shipment sent at one time to the same addressee, regardless of the number of packages comprising the shipment.

2. The third paragraph of the item *Observations* which shows the location of Cuban Consuls is amended by deleting "Portland, Oreg.;" and by inserting "San Juan, P.R.;" in proper alphabetical order therein.

C. Amend the country heading of "Egypt" to read "United Arab Republic (Egypt)", and redesignate the new country heading, and the pertinent regulations in the proper alphabetical order of countries therein.

D. In country "Greece", as amended by Federal Register Document 60-6839, 25 F.R. 6970-6972, under *Parcel Post*, the item *Prohibitions* is amended for the purpose of clarification to read as follows:

Prohibitions. For sanitary reasons: Medicines except in the manufacturer's container bearing his distinctive marks. Drugstore prescriptions. Proprietary medicines unless licensed by the Greek Supreme Board of Hygiene or specially authorized by the Ministry of Social Welfare.

Fresh meat, preserved meat, rawhides, wool, and other animal products, unless accompanied by a certificate showing that the place of origin is free from trichina.

Used clothing, bedding, rags, etc., for commercial purposes. Used clothing for personal use, unless it is clean and is so described on the customs declaration.

Cans of condensed milk, unless provided with a label in the Greek language indicating the directions for its use.

Snuff.

Arms, etc.: Firearms, swords, and any articles containing them. However, hunting arms and other commercial arms may be admitted (see "Import restrictions").

State monopolies: Salt; playing cards; amusement devices; petroleum; saccharine.

Leaf tobacco for cigars and cigarette papers, unless imported by or for tobacco manufacturers, under special authorization of the Ministry of Finance.

Aluminum sheets for tobacco manufacturing.

E. In country "Hungary", under *Postal Union mail*, make the following changes:

1. The items *Small packets*, *Letter packages containing dutiable merchandise*, and *Observations* are amended as a result of additional facilities made available by the Hungarian postal authorities. As so amended, the items read as follows:

Small Packets. Accepted.

Letter packages containing dutiable merchandise. Accepted. See § 112.1(e) of this chapter. Perishable biological materials accepted. See § 111.3(b) (5) of this chapter.

Observations. Postage stamps, cancelled or not, and other stamped paper sent to individuals must be addressed to Bélyegcserebizottság (Stamp Exchange Commission), VII. Verseny u. 12, Budapest 70, Hungary, with the name of the addressee.

Gift articles in letter packages or small packets must conform to the requirements for gift parcels (see "Observations" under "Parcel Post").

2. Strike out the item *Prohibitions and import restrictions* and insert in lieu

50'', longitude 71°21'10''; thence south-easterly to latitude 41°31'26'', longitude 71°20'33''; thence easterly to latitude 41°31'27'', longitude 71°20'06''; thence northerly to a point on the southwesterly shore of Prudence Island at latitude 41°35'00''; thence northerly along the southwesterly shore of Prudence Island to a point at latitude 41°35'40''; thence northwesterly to latitude 41°37'22'', longitude 71°21'15''; thence westerly to latitude 41°37'21'', longitude 71°21'23''; thence southerly to latitude 41°34'47'', longitude 71°21'06''; thence southwest-erly to a point on the northeast shore of Conanicut Island at latitude 41°33'54''; thence southerly along the easterly side of Conanicut Island to the point of beginning.

(3) *The regulations.* * * *

(iii) The danger zone shall be given a wide berth when possible in order to avoid danger from running torpedoes, damage to range installations, or interference with range operation. Danger from erratic torpedoes exist beyond the boundaries of the torpedo-testing range. All mariners are cautioned to keep alert, take special precautions, and take such evasive action as necessary.

(iv) The danger zone may, in case of necessity, be entered by vessels proceeding to or from the Naval Air Station, Quonset Point, the Advanced Base Depot, Davisville, or other points in the western part of Narragansett Bay, and passing between Conanicut Island and Gould Island, under the following conditions:

(a) *When firing is in progress.* In the case of major vessels making this passage, firing will be suspended on their approach to the danger zone or on request to the Range Officer, Firing Pier, Gould Island. Minor vessels making this passage must proceed with caution, avoid torpedoes and observe orders from craft patrolling the zone which craft are identified by a square red flag. Other than as specified in this subparagraph, vessels shall not enter the danger zone while firing is in progress except by special arrangement through the Range Officer, Firing Pier, Gould Island, or through the Officer-in-Charge, Degaussing Station, if entering for operations on the magnetic range.

(b) *When firing is not in progress.* Vessels may make this passage without special precaution, except that diving tenders with divers down, identified by international "Four" flying a red flag with a diagonal white cross, shall be given a wide berth and passed at slow speed.

(ix) The regulations in this subparagraph shall be enforced by the Commander, U.S. Naval Base, Newport, R.I., and such agencies as he may designate.

[Regs., July 21, 1960, 285/91 (Narragansett Bay, R.I.)—ENGCW—O] (Sec. 7, 40 Stat. 266; 33 U.S.C. 1)

R. V. LEE,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 60-7398; Filed, Aug. 9, 1960; 8:45 a.m.]

thereof a new item *Prohibitions* to read as follows:

Prohibitions. Articles prohibited as parcel post are prohibited in the postal union mail.

F. In country "Indonesia", under Postal Union mail, the item *Letter packages containing dutiable merchandise* is amended to show that perishable biological materials are accepted. As so amended, the item reads as follows:

Letter packages containing dutiable merchandise. Accepted. See § 112.1(e) of this chapter. Perishable biological materials accepted. See § 111.3(b) (5) of this chapter.

G. In country "Laos", under Postal Union Mail, the item *Small packets* is amended to show that small packets are now accepted unconditionally. As so amended, the item reads as follows:

Small packets. Accepted.

H. In country "Leeward Islands", as amended by Federal Register Document 60-3563, 25 F.R. 3409-3410, under Postal Union Mail, the item *Letter packages containing dutiable merchandise* is amended to show that "Montserrat" accepts perishable biological materials. As so amended, the item reads as follows:

Letter packages containing dutiable merchandise. Accepted. See § 112.1(e) of this chapter. Perishable biological materials accepted to Antigua and Montserrat. See § 111.3(b) (5) of this chapter.

I. Amend the country heading of "Syria" to read "United Arab Republic (Syria)," and redesignate the new country heading and the pertinent regulations in the proper alphabetical order of countries therein.

J. In "Places not included in alphabetical list of countries" delete "United Arab Republic (Egypt and Syria);" and insert the places "Egypt (United Arab Republic)", and "Syria (United Arab Republic)" in proper alphabetical order therein.

(R.S. 161, as amended, 396, as amended, 398, as amended; 5 U.S.C. 22, 369, 372)

[SEAL] HERBERT B. WARBURTON,
General Counsel.

[F.R. Doc. 60-7411; Filed, Aug. 9, 1960; 8:46 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

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

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 2171]

[72182]

ALASKA

Withdrawing Public Lands for Protection of Indian Cemeteries

By virtue of the authority vested in the President, and pursuant to Executive Order No. 10355 of May 26, 1952, and the

Part I—No. 155—3

Act of May 31, 1938 (52 Stat. 593; 48 U.S.C. 353a), it is ordered as follows:

Subject to valid existing rights and the provisions of existing withdrawals, tracts of public land in Alaska customarily used by Indians, Eskimos, or Aleuts as burial places for their dead, are hereby withdrawn from all forms of appropriation under the public land laws, including the mining but not the mineral leasing laws, and reserved under jurisdiction of the Secretary of the Interior as cemeteries for use in connection with the administration of the affairs of the Natives of Alaska.

The withdrawal made by this order shall include a strip of land 330 feet in width surrounding the perimeter of each cemetery, for the proper care, upkeep, and administration thereof.

This order shall be effective immediately with respect to those native cemeteries in Alaska which are delineated as such upon the approved and accepted plats of survey, and with respect to other native cemeteries in Alaska, upon the filing in the Land Office having jurisdiction of the area, of an accepted plat of survey designating an area as a cemetery, and the notation thereon of the character of such cemetery as a native cemetery.

FRED G. AANDAHL,
Assistant Secretary of the Interior.

AUGUST 3, 1960.

[F.R. Doc. 60-7408; Filed, Aug. 9, 1960; 8:46 a.m.]

[Public Land Order 2172]

[Sacramento 058972]

[19300]

CALIFORNIA

Power Site Cancellation No. 136; Cancellation in Part Power Site Classification No. 391; Opening Lands Subject to Section 24 of the Federal Power Act (Power Site Classification No. 444)

By virtue of the authority contained in the act of March 3, 1879 (20 Stat. 394; 43 U.S.C. 31), and as Secretary of the Interior, and pursuant to determination DA-947-California of the Federal Power Commission, Issued May 4, 1959, it is ordered as follows:

1. The order of the Geological Survey dated April 22, 1948, creating Power Site Classification No. 391, is hereby canceled so far as it affects the following-described lands:

MOUNT DIABLO MERIDIAN

T. 8 N., R. 2 W.,
Sec. 29, SE $\frac{1}{4}$ SW $\frac{1}{4}$.
T. 7 N., R. 3 W.,
Sec. 2, lot 3 and SE $\frac{1}{4}$ NW $\frac{1}{4}$ (E $\frac{1}{2}$ of Lots 1 and 2 of NW $\frac{1}{4}$).
T. 8 N., R. 3 W.,
Sec. 26, SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 31, NW $\frac{1}{4}$ NE $\frac{1}{4}$.

The areas described aggregate 195.88 acres. The lands, with the exception of the SE $\frac{1}{4}$ NE $\frac{1}{4}$, section 26, T. 8 N., R. 3 W., are withdrawn for reclamation purposes.

2. In DA-947-California, the Federal Power Commission determined that the

value of the following-described lands reserved for power purposes would not be injured or destroyed for such purposes by location, entry, or selection under the public land laws subject to the provisions of section 24 of the Federal Power Act of June 10, 1920 (41 Stat. 1075; 16 U.S.C. 818), as amended:

MOUNT DIABLO MERIDIAN

T. 10 N., R. 5 W.,
Sec. 25, W $\frac{1}{2}$ SE $\frac{1}{4}$.
T. 11 N., R. 5 W.,
Sec. 18, lot 15;
Sec. 20, SW $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 27, lot 5.
T. 11 N., R. 6 W.,
Sec. 24, N $\frac{1}{2}$ NE $\frac{1}{4}$.
T. 12 N., R. 6 W.,
Sec. 35, NE $\frac{1}{4}$ SW $\frac{1}{4}$.

The areas described aggregate 313.27 acres, of which lot 15, section 18, T. 11 N., R. 5 W., and the N $\frac{1}{2}$ NE $\frac{1}{4}$, section 24, T. 11 N., R. 6 W., are included in applications for withdrawal filed by the State of California, Department of Fish and Game.

3. The lands lie in the Putah Creek Basin, south of Clear Lake, in Lake, Napa, Yolo, and Solano Counties, California.

4. Subject to any valid existing rights and the requirements of applicable law, the lands described in paragraph 1 hereof as the SE $\frac{1}{4}$ NE $\frac{1}{4}$, section 26, T. 8 N., R. 3 W., and the lands described in paragraph 2, are hereby opened to filing of applications, selections, and locations in accordance with the following, such opening as to the lands described in paragraph 2 being further subject to the provisions of section 24 of the Federal Power Act, supra:

a. Applications and selections under the nonmineral public land laws may be presented to the Manager mentioned below beginning on the date of this order. Such applications and selections will be considered as filed on the hour and respective dates shown for the various classes enumerated in the following paragraphs.

(1) Applications by persons having prior existing valid settlement rights, preference rights conferred by existing laws, or equitable claims subject to allowance and confirmation will be adjudicated on the facts presented in support of each claim or right. All applications other than those referred to in this paragraph will be subject to the applications and claims mentioned in this paragraph.

(2) All valid applications and selections under the nonmineral public land laws presented prior to 10:00 a.m. on September 9, 1960, will be considered as simultaneously filed at that hour. Rights under such applications and selections filed after that hour will be governed by the time of filing.

b. The lands have been open to applications and offers under the mineral leasing laws, and to location under the United States mining laws.

5. Applications for lands included in pending applications for withdrawal will be suspended in accordance with the regulations in 43 CFR 295.11a, to the extent that they are in conflict therewith.

6. The State of California has waived the preference right of application granted by subsection (c) of section 2

RULES AND REGULATIONS

of the act of August 27, 1958 (72 Stat. 928; 43 U.S.C. 851, 852), and the said Section 24 of the Federal Power Act.

7. Persons claiming preference rights based upon valid settlement, statutory preference, or equitable claims must enclose properly corroborated statements in support of their applications, setting forth all facts relevant to their claims. Detailed rules and regulations governing applications which may be filed pursuant to this notice can be found in Title 43 of the Code of Federal Regulations.

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Sacramento, California.

FRED G. AANDAHL,
Assistant Secretary of the Interior.

AUGUST 4, 1960.

[F.R. Doc. 60-7409; Filed, Aug. 9, 1960; 8:46 a.m.]

Chapter II—Bureau of Reclamation, Department of the Interior

PART 415—DETERMINATION OF LOT LINES AND LEASING OF LOTS IN LAKEVIEW ADDITION, BOULDER CITY, NEVADA

On pages 5697, 5698, and 5699 of the FEDERAL REGISTER of June 22, 1960, there was published a notice and text of a proposed new part to Title 43, Code of Federal Regulations. The purpose of this new part is to establish procedures for the determination of lot lines and the leasing of lots, the designation of streets, and initial construction or improvement of, additions to, street, water, electric, and sewerage systems in that part of Boulder City, Nevada, known as Lakeview Addition. In addition, this new part contemplates the transfer of Lakeview Addition by the United States to Boulder City, Nevada.

Interested persons were given 30 days within which to submit written comments, suggestions or objections with respect to the proposed new part. No comments, suggestions or objections have been received and the proposed new part is hereby adopted without change.

Inasmuch as it is in the best interest of all parties concerned that the procedures established by this new part be available without delay, in order that necessary leases can be consummated and subdivision improvement can proceed in an orderly manner, this part shall become effective on the date of publication of this notice in the FEDERAL REGISTER.

FRED G. AANDAHL,
Acting Secretary of the Interior.

AUGUST 3, 1960.

A new Part 415 is added to Title 43, Chapter II, reading as follows:

- Sec.
415.1 Purpose.
415.2 Definitions.
415.3 Determinations by and duties of Regional Director.
415.4 Discretionary functions of the Regional Director.
415.5 Notices and offers to lease and selection of lieu lots.

- Sec.
415.6 Terms and conditions of leases.
415.7 Disposal of nonhabitable structures.
415.8 Treatment of costs of accomplishing functions prescribed by Act.

AUTHORITY: §§ 415.1 to 415.8 issued under sec. 15, 72 Stat. 1726.

§ 415.1 Purpose.

The purpose of this part is to supplement the Boulder City Act of 1958 (72 Stat. 1726), and to assist in carrying out the provisions of that Act relating to Lakeview Addition, Boulder City, Nevada. It establishes procedures relating to the determination of lot lines and the leasing of lots, the designation of streets, the determination of ownership of privately owned structures, the acquisition or relocation of privately owned structures required in order to accomplish the subdivision. It further refers to the expenditure of the amount authorized by section 6(b) (2) of said Act to be appropriated for the initial construction or improvement of, or additions to, street, water, electric, and sewerage systems for Lakeview Addition. It also provides for the transfer of Lakeview Addition by the United States to Boulder City, Nevada.

§ 415.2 Definitions.

As used in this part, the term:

(a) "Regional Director" means the Regional Director, Region 3, Bureau of Reclamation, or person designated by him to act in his behalf.

(b) "Act" means the Boulder City Act of 1958 (72 Stat. 1726).

(c) "Boulder City municipal area" means the area in the State of Nevada as that area is defined in section 2(c) of the Act.

(d) "Municipality" means Boulder City, Nevada, a municipal corporation, organized and existing under the laws of the State of Nevada.

(e) "Lakeview Addition" means that portion of the Boulder City municipal area delineated on Map No. X-300-475, dated December 3, 1959, attached as Exhibit B to the Quitclaim Deed from the United States to Boulder City, Nevada, dated January 4, 1960, recorded on January 12, 1960, as Instrument No. 185058, in Official Records Book No. 228, Clark County, Nevada, where federally owned lands not under lease from the United States are occupied by privately owned structures.

(f) "Privately owned structure" means a nonfederally owned dwelling inhabited as of January 4, 1960, by the owner or with the permission of the owner thereof or, if not so inhabited, which, in the Regional Director's opinion was habitable, as of January 4, 1960, including, in either case, any nonresidential structure appurtenant to such dwelling. For the purpose of qualifying for a lease under these regulations, the meaning of "privately owned structure" does not include a nonresidential structure or improvement which is not appurtenant to a habitable dwelling or which is not located on the same lot as said dwelling.

(g) "Lieu lot" means a lot in Lakeview Addition other than a lot or area occupied in whole or part by a privately owned structure, which is determined by

the Regional Director to be available for leasing.

(h) "Interim occupancy agreement" means a document tendered by the United States and executed by the owner of a privately owned structure, the removal of which was determined necessary by the Regional Director, recognizing the occupancy of the lieu lot as selected, and will be of a duration extending from conclusion of selection of lieu lots until earliest practicable date when lease may be tendered.

§ 415.3 Determinations by and duties of the Regional Director.

(a) The Regional Director shall:

(1) Determine what initial construction or improvement of, or additions to, street, water, electric, and sewerage systems within Lakeview Addition are, in his opinion, necessary toward conformance with general standards for such utilities and facilities prevailing in the community and possible of accomplishment by the expenditure of such funds as may have been appropriated for such purposes pursuant to section 6(b) (2) of the Act;

(2) Determine what are privately owned structures in Lakeview Addition, as hereinbefore defined;

(3) Determine by such methods as he deems reasonable and feasible, who are the owners of the structures referred to in subparagraph (2) of this paragraph;

(4) Determine and designate lot lines and streets in Lakeview Addition to conform as nearly as is reasonable and feasible, in his judgment, to the existing pattern of land occupancy in Lakeview Addition, including the designation, to the extent practicable, of lieu lots, as hereinbefore defined, and described the same on a map of Lakeview Addition;

(5) Cause each lot, as above designated to be appraised in accordance with section 3(d) of the Act;

(6) As soon as practicable, after completion of the work referred to in subparagraph (5) of this paragraph, offer in writing to lease each lot, as above designated, to the owner of the privately owned structure, located thereon and not requiring removal in order to accomplish the subdivision contemplated by section 4(b) of the Act;

(7) List and designate on a map those lieu lots in Lakeview Addition which are found by him to be available for leasing and, by a notice to that effect, offer in writing to each owner of a privately owned structure in Lakeview Addition which, in the Regional Director's opinion, must be removed in order to accomplish the subdivision contemplated by section 4(b) of the Act, an opportunity to choose a lot from said list and subsequently occupy, and lease same, all in the manner provided under § 415.5(c).

(8) Notify the owner of a privately owned structure or structures in Lakeview Addition who, pursuant to § 415.5 is offered either a lease of a lot occupied by said structure, or a lieu lot in Lakeview Addition and who fails to execute and return said lease or interim occupancy agreement and subsequently tendered lease, to the Regional Director within the allotted time, or who fails to

accept an offer of an opportunity to choose a lieu lot, that said owner has lost his right to lease any lot in Lakeview Addition and must remove said structure or structures within thirty (30) days after such notification and that failure to comply with said notice will result in action by the Regional Director to take possession of the area and the structure or structures situated thereon;

(9) Evict all persons occupying any area or structure in Lakeview Addition, the right to possession of which has vested in the United States pursuant to subparagraph (8) of this paragraph;

(10) Transfer Lakeview Addition to Boulder City after completion of the work contemplated by subparagraph (1) of this paragraph, the leasing of lots, and other determinations and duties necessary to accomplish the subdivision at Lakeview Addition to the extent contemplated by the Act and these regulations;

(11) Perform such work and take such other actions not inconsistent herewith, as in his opinion is necessary and desirable to accomplish the determinations and fulfill the duties herein established.

(b) The Regional Director's determination hereunder shall be final and conclusive.

§ 415.4 Discretionary functions of the Regional Director.

(a) The Regional Director, in his discretion, may:

(1) Enter into an interim occupancy agreement, a lease, or both, with the owner of a privately owned structure in Lakeview Addition for a lot in Lakeview Addition determined by him to be available for leasing in lieu of a lease for the premises not designed as a lot but occupied by the structure in question;

(2) Relocate a privately owned structure on the lieu lot selected by the owner of said structure, by means of Government forces or by contract with an independent contractor or by contract with the owner of the privately owned structure, when, in the Regional Director's opinion, the removal of the structure is necessary in order to accomplish the subdivision of Lakeview Addition contemplated by section 4(b) of the Act and such structure is so built that it may be relocated without an expenditure disproportionate, in the Regional Director's opinion, to the value of the structure, as determined pursuant to an appraisal made either by Federal Housing Administration or by independent appraisers designated by the Regional Director;

(3) Acquire a privately owned structure, at its appraised value determined by the Regional Director pursuant to an appraisal of said structure made either by the Federal Housing Administration or by independent appraisers designated by the Regional Director, when in the Regional Director's opinion, the removal of the structure is necessary in order to accomplish the subdivision of Lakeview Addition contemplated by section 4(b) of the Act and such structure is, in the opinion of the Regional Director, not physically capable of being relocated or the cost of such relocation to the

United States would be disproportionate to the value of the structure;

(4) Sell, destroy, or otherwise dispose of property acquired by the United States pursuant to subparagraph (3) of this paragraph or which comes into the possession of the United States pursuant to § 415.3(a)(8) by such means or upon such terms and conditions as he deems proper.

(b) The Regional Director's determinations hereunder shall be final and conclusive.

§ 415.5 Notices and offers to lease, including selection, occupancy, and lease of lieu lots.

(a) *How notice or offer shall be given.*

(1) Any notice or offer required or otherwise deemed necessary and desirable for the accomplishment of determinations or fulfillment of duties hereunder shall be in writing and shall be deemed to have been given to the owner or occupant of the structure or premises in question when either personally delivered to said individual, or mailed by, or on behalf of, the Regional Director to said owner or occupant to the last-known address of such person or persons as it may appear in the Boulder City Post Office or the tax records of Clark County, Nevada, all as evidenced by copy thereof deposited in the official files maintained by the Regional Director. A copy of any such notice may, in the Regional Director's discretion, be posted on said privately owned structure.

(2) The offer of any lease shall be accompanied by the tender of a lease, which shall conform to the requirements of § 415.6.

(b) *Acceptance of lease.* (1) The offer to lease a lot in Lakeview Addition other than a lieu lot may be accepted by the owner of the qualifying privately owned structure signing and returning the tendered lease to be received in the office of the Regional Director within thirty (30) days of the date said offer was given under paragraph (a)(1) of this section.

(2) The offer to lease a lieu lot in Lakeview Addition may be accepted by the owner of the qualifying privately owned structure signing and returning the tendered lease, to be received in the office of the Regional Director within fifteen (15) days of the date said offer was given under paragraph (a)(1) of this section.

(3) Failure by the owner of a privately owned structure, or qualified holder of a lieu lot whose status has been established pursuant to paragraph (c) of this section, to return the tendered lease as required under subparagraph (1) or (2) of this paragraph shall constitute a rejection of the offer and a waiver of all claim of said owner or occupant to lease a lot in Lakeview Addition.

(c) *Selection, occupancy, and lease of lieu lots.* (1) All persons who are offered an opportunity to choose a lieu lot, and to subsequently occupy and lease same, in accordance with the notice provided for in § 415.3(a)(7), and who desire to be placed in order of opportunity to so choose, shall sign an application therefor which shall be enclosed with said

notice and return the signed application to be received in the office of the Regional Director within fifteen (15) days of the date of the mailing of the notice, which is given in accordance with the provisions of paragraph (a)(1) of this section.

(2) Failure of said person to return said application as required by subparagraph (1) of this paragraph shall constitute a rejection of such opportunity, and a waiver of any subsequent claim to occupy and lease a lot in Lakeview Addition.

(3) Persons who sign and return the required application to choose a lieu lot shall be placed in order of opportunity to so choose pursuant to a drawing to be held at a time and a place specified in the notice.

(4) At the drawing, the names of all applicants who have qualified shall be placed in a single container and withdrawn one at a time at random. A list designating order of preference shall be prepared showing each name in the order in which it is drawn. The persons whose names have been drawn or their representatives who, in the opinion of the Regional Director, are duly authorized to attend and act in their behalf, shall meet at a time and place designated by the Regional Director on a day not less than five (5) nor more than fifteen (15) days after the date of the drawing to exercise their preference to select such lieu lot pursuant to the drawing.

(5) At 10 a.m., local time, on the date of which selections are to be made, those persons eligible to select shall meet at the designated place and make the selections in order of preference. Any preference right not exercised on the prescribed day shall be forfeited except that persons who, in the Regional Director's opinion, have not been given an opportunity to make a selection on the prescribed day because of the inability of an applicant who precedes them in the order in which the names were drawn to make a selection, may exercise their right on the day or days immediately following, all as determined by the Regional Director.

(6) After selections of lieu lots have been made, the Regional Director will, provided the work referred to in § 415.3(a)(5) has been completed, tender a lease which conforms to the requirements of § 415.6, acceptance of which shall be in accord with paragraph (b)(2) of this section.

(7) In the event work referred to in § 415.3(a)(5) has not been completed when the selection of lieu lots has been completed, the Regional Director will tender an interim occupancy agreement to each individual who has made a selection. Failure to execute and return such interim occupancy agreement, to be received in the office of the Regional Director within ten (10) days after such interim occupancy agreement is tendered, shall be deemed to be a rejection of the offer to select or to occupy said lot and a waiver of all claim to subsequently lease any lot in the Lakeview Addition.

(8) The continued validity of said interim occupancy agreement shall be con-

ditioned upon the selectee making suitable arrangements for vacating the premises occupied by the structure, to be relocated or acquired, within fifteen (15) days of the date of notice of the Regional Director's determination made pursuant to § 415.4(a) (2) or (3).

§ 415.6 Terms and conditions of leases.

(a) The term of the lease will be ten (10) years.

(b) The rental per annum shall be five percent (5%) of the appraised value of each lot as established pursuant to § 415.3(a) (5).

(c) The lease shall include an option to purchase the lot in accordance with the provisions of the Act, upon terms of payment specified by the municipality.

(d) The continuing validity of the lease shall be conditioned upon the lessee making proper connections to water, electric, and sewerage systems; disposing of all rubbish and debris on the lot; and maintaining the premises in a manner satisfactory to lessor; and may be conditioned on the lessee's rehabilitation, replacement, or relocation of any or all structures occupying the land in order to bring about, in the Regional Director's opinion, closer conformance with general standards prevailing in the community.

(e) Where the Regional Director acquires a privately owned structure from the owner thereof, pursuant to § 415.4 (a) (3), and leases a lieu lot to said owner, the lease of a lieu lot will require lessee to complete the construction of a habitable dwelling thereon, in accordance with standards of construction reasonably adequate in the opinion of the lessor, within one year of execution of the lease, unless the lessee exercises his option, pursuant to paragraph (c) of this section prior thereto.

(f) All leases may include such other terms and conditions as may be deemed necessary by the Regional Director in the interests of the United States and Boulder City and for the effectuation of the Act.

(g) The forms of the interim occupancy agreement and the lease will be available for examination in the Regional Director's office.

(h) If the purchaser desires to record his lease at his expense in the official records of Clark County, Nevada, he should have his signature acknowledged before a notary public prior to returning the lease to the office of the Regional Director.

§ 415.7 Disposal of nonhabitable structures.

Where the Regional Director determines that federally owned land in Lakeview Addition is occupied by (a) a nonresidential structure or remnant thereof which is not appurtenant to a habitable residence, or (b) an unoccupied residential structure or remnant thereof which was not habitable as of January 4, 1960, he shall endeavor to ascertain the owner thereof and shall require said owner to remove the aforesaid structure or remnant within thirty (30) days from the date a written notice to that effect is mailed by or on behalf of the Regional Director to said owner at his last-known

address as it may appear in the Boulder City Post Office or the tax records of Clark County, Nevada. A copy of said notice shall also be posted on said structure or remnant. If said owner fails to remove said structure or remnant thereof, as required by said notice, or if the Regional Director is unable to ascertain who the owner of said structure or remnant thereof is, the Regional Director shall, after making a record of the condition of said structure or remnant, take action to remove said structure or remnant thereof from the federally owned property in Lakeview Addition in any manner he deems to be satisfactory.

§ 415.8 Treatment of costs of accomplishing functions prescribed by Act.

The Regional Director may direct the expenditure out of the Boulder City Municipal Fund of moneys necessary to meet the costs of carrying out the functions and responsibilities of the United States, the Secretary of the Interior, or the Regional Director under the Act and the regulations promulgated thereunder, except that if the amount referred to under § 415.3(a) (1) is appropriated from general funds, the Regional Director shall direct the expenditure of such sum for the purposes appropriated.

[F.R. Doc. 60-7410; Filed, Aug. 9, 1960; 8:46 a.m.]

Title 46—SHIPPING

Chapter II—Federal Maritime Board, Maritime Administration, Department of Commerce

SUBCHAPTER C—REGULATIONS AFFECTING SUBSIDIZED VESSELS AND OPERATORS

[General Order 24, 3d Rev.]

PART 284—VALUATION OF VESSELS FOR DETERMINING CAPITAL EMPLOYED AND NET EARNINGS UNDER OPERATING-DIFFERENTIAL SUBSIDY AGREEMENTS

Part 284 is hereby revised to read as follows:

Sec.

284.1 Vessels included.

284.2 Basis of valuation.

AUTHORITY: §§ 284.1 and 284.2 issued under sec. 204 (49 Stat. 1987, as amended; 46 U.S.C. 1114); Pub. Law 86-518 (74 Stat. 216). Interpret or apply secs. 9 and 12(d) (60 Stat. 46, 50; 50 U.S.C. 1742, 1745)

§ 241.1 Vessels included.

The vessels to be valued pursuant to the provisions of this part are (a) all vessels subsidized under operating-differential subsidy agreements, (b) all vessels owned by the operator not so subsidized when, by reason of employment of such vessels in the subsidized services, the Maritime Administration has required that, for the period of such employment, the value of such vessels be included in the computation of capital necessarily employed in such subsidized services, and (c) all other vessels owned by the operator in those cases where it is necessary to determine the value thereof for the purposes of § 286.3(c).

§ 284.2 Basis of valuation.

(a) *General.* Except as hereinafter otherwise set forth, vessels shall be valued at the actual cost of acquisition (not the cost of replacement or reproduction), subject to the adjustments provided for hereinafter.

(b) *Acquisition from other than a predecessor or "related company"*—(1) *For cash or equivalent.* The cost of acquisition of vessels acquired from other than a predecessor, or a subsidiary company, holding company, affiliate company, or associate company, of the operator (herein referred to as a "related company"), for cash or a consideration determined by the Maritime Administration to be the equivalent of cash, shall be the purchase price plus any other expenditures which the Maritime Administration determines to be properly capitalizable as part of the cost of acquisition. There shall not be included therein commissions paid officers or directors of, or stockholders having a substantial stock interest in, the operator or a related company, or adjustments attributed to restricted trade or other provisions (if any) in contracts under which such vessels were acquired. The cost of vessels acquired by the operator from the builders, directly or through the Maritime Administration or predecessor agencies (except a vessel the price of which is adjusted under section 9 of the Merchant Ship Sales Act of 1946), shall include interest accrued during the period of construction on borrowed capital (less interest earned thereon) used to make payments on account of construction (including interest charged by the Maritime Administration on payments made to the builder) and such other expenditures which the Maritime Administration determines to be properly capitalizable.

(2) *For consideration other than cash or equivalent.* The cost of acquisition of any vessel acquired by the operator from other than its predecessor or a related company for any consideration, the cash value of which, in the opinion of the Maritime Administration, cannot be determined definitely, shall be the fair value of such vessel at the date of acquisition, as determined by the Maritime Administration. The cost of acquisition of any vessel acquired by the operator from the Maritime Administration or predecessor agencies (except a vessel the price of which is adjusted under section 9 of the Merchant Ship Sales Act of 1946) shall be the agreed purchase price for such vessel plus any other expenditures which the Maritime Administration determines to be properly capitalizable as part of the cost of acquisition, notwithstanding the fact that part of the consideration paid to the Maritime Administration or predecessor agencies may consist of mortgage notes of the operator. In general, the Maritime Administration will not undertake to place a value upon securities for the purpose of evaluating a vessel acquired in exchange therefor. No valuation by the Maritime Administration of a vessel acquired in whole or in part for securities shall be deemed to be a determina-

tion by the Maritime Administration of the value of such securities.

(3) *Vessels subject to section 9, Merchant Ship Sales Act of 1946.* The cost of acquisition of a vessel, the price of which is adjusted under section 9 of the Merchant Ship Sales Act of 1946, shall be the statutory sales price of the vessel, computed in accordance with section 3(d) of said Act, as of March 8, 1946 if the vessel was acquired by the operator on or before that date or as of the date of the original delivery of the vessel to the operator if contracted for prior to but delivered after March 8, 1946.

(c) *Acquisition from a predecessor or related company.* The cost of acquisition of any vessel acquired by the operator from its predecessor or from any person who at any time prior to the date of acquisition of such vessel by the operator was a related company, shall be the cost of acquisition (determined as hereinabove set forth) of such vessel from the nearest person in the chain of title who was not at any time prior to the date of his transfer of the vessel either the predecessor to or a related company of the operator or the predecessor to or a related company of the person to whom he transferred title to said vessel, adjusted for the period from the date of such prior acquisition to the date of acquisition by the operator, in the manner hereinafter set forth.

(d) *Basing valuation upon "fair value" when deemed necessary.* Nothing herein contained shall preclude the Maritime Administration from basing the valuation of any vessel upon the fair value (as determined by the Maritime Administration) of such vessel at the date of acquisition by the operator in any case in which the Maritime Administration shall deem such method to be necessary for the proper determination of valuation.

(e) *Adjustments for betterments, reconstruction, or reconditioning.* For the purpose of (1) determining the value of the vessel as of any date subsequent to the date of acquisition by the operator, or (2) determining the adjustments to be made for the period between the date of acquisition by the predecessor or a related company of the operator and the date of acquisition by the operator (when in accordance with the provisions of this part such cost of prior acquisition is properly applicable), allowance shall be made for the net cost of all capitalizable betterments, reconstruction, or reconditioning made by the operator, or made during the period of

such prior ownership, as the case may be, after making such allowance as the Maritime Administration may deem proper for substantial removals and replacements. No adjustments shall be made, however, with respect to expenditures which are not capitalized, such as those which are treated as deferred charges to operations.

(f) *Adjustments for depreciation.*

(1) On and after January 1, 1960 (with respect to vessels delivered by the shipbuilder on or after January 1, 1946) adjustments shall be made for depreciation on the basis of a twenty-five year economic life of the vessel (twenty years for vessels delivered by the shipbuilder prior to January 1, 1946) computed from the date of final delivery upon completion of the vessel by the shipbuilder to the first owner thereof (except that with respect to a wholly or partially reconstructed or reconditioned vessel the life expectancy of which has been determined to be otherwise jointly by the Secretary of the Treasury and the Secretary of Commerce depreciation shall be computed on the life expectancy so determined) and after deducting from the cost of acquisition the residual value of such vessel, which residual value shall be deemed to be 2½ percent of the original construction cost (meaning the full domestic shipyard construction cost insofar as vessels constructed under Title V or Title VII of the Merchant Marine Act, 1936, are concerned); *Provided, however,* That the residual value shall in no event exceed the cost of acquisition to the operator, determined as herein set forth; *And provided further,* That the residual values of war-built vessels acquired from the Maritime Administration or predecessor agencies by purchase under section 4 or exchange under section 8 of the Merchant Ship Sales Act of 1946 or with respect to which the prior sales price is adjusted pursuant to section 9 of that Act shall be deemed to be 2½ percent of the pre-war domestic cost thereof, as established under the Merchant Ship Sales Act of 1946 and published in the FEDERAL REGISTER.

(2) Vessel depreciation shall be written off proportionately for the period between the date of acquisition with respect to which the cost of acquisition is determined pursuant to the provisions of this part to the end of the economic life of the vessel determined pursuant to the provisions of this part, except with respect to a vessel which, when purchased, was of a type which required

substantial modification, thereby modifying the original purpose of the vessel, depreciation shall be computed and written off on the basis stated in subparagraph (3) of this paragraph. In the case of a vessel the price of which is adjusted under section 9 of the Merchant Ship Sales Act of 1946, the date of acquisition shall for the purpose of this paragraph be March 8, 1946 if the vessel was acquired by the operator on or before that date or the date of the original delivery of the vessel to the operator if contracted for prior to but delivered after March 8, 1946. The actual net cost of capitalizable betterments, reconstruction, or reconditioning shall be depreciated proportionately during the period between the end of the month during which such betterments, reconstruction, or reconditioning was completed and the end of the economic life of the vessel.

(3) Vessel depreciation on the purchase cost of a vessel shall accrue from date title is taken and shall be written off proportionately over the remaining economic life of the vessel in accordance with this part and allocated in the same manner as is the equity in the vessel for capital necessarily employed purposes, except that with respect to a vessel which when purchased was of a type which required substantial modification thereby modifying the original purpose of the vessel (as, for example, conversion of a cargo vessel to a combination or passenger vessel), the properly capitalizable acquisition and modification costs shall be depreciated from the date the vessel is delivered to the owner in its modified state from the shipyard and shall be written off over the remaining economic life of the vessel in accordance with this part.

(4) As to any changes in the revision of subparagraphs (1) and (2) of this paragraph (f) which have been included pursuant to Public Law 86-518, the said changes can not be recognized in the administration of this part until after the applicable contracts of the subsidized Operator involved have been modified, following the filing of an appropriate application by such Operator.

Dated: August 3, 1960.

By order of the Maritime Administrator.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 60-7425; Filed, Aug. 9, 1960;
8:48 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR (1954) Part 1]

DEALERS' RESERVE INCOME

Notice of Hearing on Proposed Regulations

Proposed regulations relating to dealers' reserve income were published in the FEDERAL REGISTER for Tuesday, August 9, 1960.

A public hearing on provisions of these proposed regulations will be held on Thursday, August 25, 1960, at 10:00 a.m., e.d.s.t., in Room 3313, Internal Revenue Building, Twelfth and Constitution Avenue NW., Washington 25, D.C. Persons who plan to attend the hearing are requested to so notify the Commissioner of Internal Revenue, Attention: T:P, Washington 25, D.C., by August 22, 1960.

[SEAL] MAURICE LEWIS,
Director, Technical Planning
Division, Internal Revenue
Service.

[F.R. Doc. 60-7526; Filed, Aug. 9, 1960;
11:37 a.m.]

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[50 CFR Part 166]

FISHING VESSEL CONSTRUCTION

Differential Subsidy Procedures

Notice is hereby given that pursuant to the authority vested in the Secretary of the Interior by the Act of June 12, 1960, (Public Law 86-516), it is proposed to amend 50 CFR by adding a new Part 166 as set forth below. The purpose of these amendments is to prescribe regulations governing the payment of fishing vessel construction differential subsidies.

It is the policy of the Department of the Interior whenever practicable, to afford the public an opportunity to participate in the rule making process. Accordingly, interested persons may submit written comments, suggestions, or objections with respect to the proposed amendments to the Director, Bureau of Commercial Fisheries, Washington 25, D.C., within thirty days of the date of publication of this notice in the FEDERAL REGISTER.

Part 166, reading as follows, is added to 50 CFR, Subchapter J:

- Sec.
166.1 Basis and purpose.
166.2 Definitions.
166.3 Eligibility requirements.
166.4 Applicants.
166.5 Subsidy contract.
166.6 Inspection of vessels.
166.7 Payment of subsidy.

AUTHORITY: §§ 166.1 to 166.7 issued under sec. 10, Pub. Law 86-516.

§ 166.1 Basis and purpose.

(a) The Act of June 12, 1960 (Public Law 86-516), authorizes the Secretary of the Interior to pay a subsidy for the construction of fishing vessels in shipyards of the United States.

(b) The purpose of this part is to prescribe rules and regulations governing the payment of these subsidies.

§ 166.2 Definitions.

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

(b) *Administrator*. The Maritime Administrator in the Department of Commerce or his authorized representative.

(c) *Person*. Individual, association, partnership, or corporation, any one or all as the context requires.

(d) *Fishery*. A segment of the commercial fishing industry engaged in the catching of a single species or a group of species of fish or shellfish. To be considered as operating in a fishery the catch of such species during the calendar year must amount to at least fifty-one percent (51%) (in the aggregate by ex-vessel weight) of the total catch of the vessel.

§ 166.3 Eligibility requirements.

(a) Injury or threat of injury due to increased imports. Applicants for a subsidy for a vessel to be operated in a fishery which does not qualify under section 4(1) of the Act or which has not been previously found to be injured or threatened with injury by reason of increased imports must present evidence of injury or threat of injury by reason of increased imports. Upon receipt of such evidence, the Secretary will announce by notice in the FEDERAL REGISTER and by notice in writing by registered mail to parties of record, that factual data may be filed in support of or opposition to, such a finding during the succeeding 30 days. All data filed will be considered, along with such information as may be developed by the Secretary's staff or staffs of other Government agencies and a finding announced by the Secretary. This finding will remain in effect until the Secretary shall announce that he has reason to believe the injury has been remedied or the threat of injury removed. Interested parties will then have 30 days to submit data, after which the Secretary will determine whether or not the injury or threat of injury remains. Injury or threat of injury may be determined, without excluding other factors, by downward trend of production, employment, prices, profits, or wages in the domestic fishery concerned, or a decline in sales, an increase in imports, either

actual or relative, a higher or growing inventory, or a decline in the proportion of the domestic market supplies by the domestic fishery concerned.

(b) Aid in the development of the United States fisheries. For a vessel to aid in the development of the United States fisheries under conditions that the Secretary considers to be in the public interest, the vessel must be a modern vessel which will tend to upgrade the fleet and, unless of completely new and advanced design, shall not operate in a fishery which the Secretary deems to have sufficient vessels to economically harvest either the maximum sustained yield of the fishery or the maximum amount which can be marketed in an orderly manner.

§ 166.4 Applications.

Applications for a subsidy shall be made on forms prescribed by the Secretary and shall be filed with the Director, Bureau of Commercial Fisheries, Washington, D.C. The applications must be accompanied by three copies of the cross section, outboard profile, and specifications of the proposed vessel. The Secretary may require complete detailed construction plans in triplicate after a review of the application and accompanying plans and specifications.

§ 166.5 Subsidy contract.

(a) A contract for the payment of the subsidy will take effect when all contracts between the applicant for such subsidy and the shipbuilder, who is to construct such vessel, have been approved by the Administrator and the subsidy contract has been signed by the Secretary and the applicant; and

(b) The contract shall contain a formula for the computation of the amount of the subsidy that shall be repaid to the Secretary in the event the vessel is operated in any fishery other than the particular fishery for which it was designed as defined in § 166.2(d).

§ 166.6 Inspection of vessels.

The Secretary or the Administrator shall have access at all times to all vessels which are being constructed under a contract providing for a construction subsidy provided for by the Act.

§ 166.7 Payment of subsidy.

The subsidy will be paid to the applicant after the vessel is completed and evidence of full payment to the shipyard constructing the vessel is presented; or jointly to the applicant and the shipyard upon completion and delivery of the vessel.

ELMER F. BENNETT,
Under Secretary of the Interior.

AUGUST 4, 1960.

[F.R. Doc. 60-7412; Filed, Aug. 9, 1960;
8:46 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 943]

[Docket No. AO-231-A12-RO1]

MILK IN NORTH TEXAS MARKETING AREA

Notice of Extension of Time for Filing Briefs

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given that the time for filing briefs on the record of the public hearing held at Dallas, Texas, on June 29, 1960, with respect to proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the North Texas marketing area, pursuant to the notice of reopening of hearing issued May 25, 1960 (25 F.R. 4752; F.R. Doc. 60-4851) is hereby extended to August 5, 1960.

Dated: August 4, 1960.

ROY W. LENNARTSON,
Deputy Administrator.

[F.R. Doc. 60-7417; Filed, Aug. 9, 1960; 8:47 a.m.]

[7 CFR Part 969]

HANDLING OF AVOCADOS GROWN IN SOUTH FLORIDA

Increase of Amount in Reserve Fund

Notice is hereby given that the Secretary of Agriculture is considering the following proposals submitted by the Avocado Administrative Committee established under the marketing agreement, as amended, and Order No. 69, as amended (7 CFR Part 969), regulating the handling of avocados grown in south Florida, under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), as the agency to administer the terms and provisions thereof: (1) That the Secretary of Agriculture find that to increase the amount of the reserve fund (§ 969.205) to an amount not to exceed \$10,000 (approximately one fiscal year's operational expenses) as authorized by § 969.42 of the amended marketing agreement and order is appropriate for the maintenance and functioning of the said committee; and (2) that excess assessment funds from the fiscal year ended March 31, 1960, in the amount of \$2,102.91 be placed in said reserve fund.

A reserve fund was established on April 10, 1958, in the amount of \$4,500 (§ 969.205; 23 F.R. 2338), and the proposed action contemplates an increase in this fund to a maximum of \$10,000.

Consideration will be given to written data, views, or arguments pertaining to the aforesaid proposals which are re-

ceived by the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Room 2077, South Building, Washington 25, D.C., not later than the 10th day after the publication of this notice in the FEDERAL REGISTER.

Terms used herein shall have the same meaning as given to the respective terms in said amended marketing agreement and order.

Dated: August 5, 1960.

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

[F.R. Doc. 60-7441; Filed, Aug. 9, 1960; 8:50 a.m.]

[7 CFR Part 1017]

ONIONS GROWN IN CERTAIN DESIGNATED COUNTIES IN IDAHO AND MALHEUR COUNTY, OREG.

Notice of Proposed Expenses and Rate of Assessment

Notice is hereby given that the Secretary of Agriculture is considering the approval of the expenses and rate of assessment hereinafter set forth, which were recommended by the Idaho-Eastern Oregon Onion Committee, established pursuant to Marketing Agreement No. 130 and Order No. 117 (7 CFR Part 1017), regulating the handling of onions grown in certain designated counties in Idaho and Malheur County, Oregon, issued under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

Consideration will be given to any data, views, or arguments pertaining thereto, which are filed with the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., not later than 15 days following publication of this notice in the FEDERAL REGISTER.

The proposals are as follows:

§ 1017.204 Expenses and rate of assessment.

(a) The reasonable expenses that are likely to be incurred by the Idaho-Eastern Oregon Onion Committee, established pursuant to Marketing Agreement No. 130 and this part, to enable such committee to perform its functions, pursuant to provisions of the aforesaid marketing agreement and order, during the fiscal period beginning July 1, 1960, and ending June 30, 1961, will amount to \$4,646.00.

(b) The rate of assessment to be paid by each handler, pursuant to Marketing Agreement No. 130 and this part, shall be three-tenths of one cent (\$0.003) per hundredweight of onions handled by him as the first handler thereof during said fiscal period.

(c) Terms used in this section shall have the same meaning as when used in the said marketing agreement and order.

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

Dated: August 4, 1960.

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

[F.R. Doc. 60-7418; Filed, Aug. 9, 1960; 8:47 a.m.]

Agricultural Research Service

[9 CFR Parts 145, 146, 147]

NATIONAL POULTRY AND TURKEY IMPROVEMENT PLANS AND AUXILIARY PROVISIONS

Notice of Proposed Rule Making

Notice is hereby given, in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. 1003), that the Department of Agriculture has under consideration proposed amendments of the National Poultry Improvement Plan and the National Turkey Improvement Plan and Auxiliary Provisions recommended by the 1960 Conference of representatives of the State agencies cooperating in the administration of the Plans, and that, pursuant to section 101(b) of the Department of Agriculture Organic Act of 1944, as amended (7 U.S.C. 429), it is proposed to amend Parts 145, 146, and 147 of Title 9, Code of Federal Regulations, to incorporate such recommended amendments and to make incidental changes for clarity and consistency. Said Parts 145, 146, and 147 would be amended in the following respects:

§ 145.1 [Amendment]

1. Section 145.1 would be amended by changing the introductory paragraph to read:

Words used in this part in the singular form shall be deemed to import the plural, and vice versa, as the case may demand. Except where the context otherwise requires, for the purposes of this part the following terms shall be construed, respectively, to mean:

2. Section 145.1 would be further amended by changing paragraph (e) to read:

(e) *State*. Any State, the District of Columbia or Puerto Rico.

3. Section 145.1 would be further amended by adding a new paragraph (r) to read:

(r) *Stock*. A term used to identify the progeny of a specific breeding combination of chickens. These breeding combinations may include pure strains, strain crosses, and breed crosses, or combinations thereof.

§ 145.2 [Amendment]

4. Section 145.2 would be amended by changing the second sentence of paragraph (b) to read: "An Official State Agency may accept for participation an affiliated flock located in another State under a mutual understanding and

PROPOSED RULE MAKING

agreement, in writing, between the two Official State Agencies regarding conditions of participation and supervision."

§ 145.5 [Amendment]

5. Section 145.5 would be amended by changing paragraph (a) to read:

(a) Poultry houses and the land in the immediate vicinity thereof shall be kept in sanitary condition acceptable to the Official State Agency. The procedures outlined in § 147.31 shall be considered as a guide in determining compliance with this provision.

§ 145.6 [Amendment]

6. Section 145.6 would be amended by changing the portion of paragraph (a) preceding the colon to read:

(a) Hatcheries, including brooder rooms, shall be kept in sanitary condition, acceptable to the Official State Agency. The procedures outlined in §§ 147.32 to 147.35 shall be considered as a guide in determining compliance with this provision. The minimum requirements with respect to sanitation shall include the following:

7. Section 145.6 would be further amended by changing subparagraph (5) of paragraph (a) to read:

(5) Hatchers and hatching trays shall be cleaned and fumigated or disinfected after each hatch, preferably using the procedures outlined in §§ 147.34(b) and 147.35(e).

8. Section 145.6 would be further amended by adding a new subparagraph (6) to paragraph (a) to read:

(6) All eggs should be fumigated at the hatchery as described in § 147.35 (a), (b) or (c). All eggs should be refumigated after transfer to the hatcher as described in § 147.35(d).

9. Section 145.9 would be amended by changing to read:

§ 145.9 Terminology and classification; hatcheries and dealers.

Participating hatcheries and dealers shall be designated as "National Plan Hatchery" and "National Plan Dealer", respectively. Each participating hatchery or dealer may be assigned a permanent approval number by the AH Division. This number may appear on each invoice and shipping label for each separate sale of chicks or eggs. The approval number shall be withdrawn when the hatchery or dealer no longer qualifies for participation in the Plan. All Official State Agencies shall be notified by the AH Division of additions, withdrawals and changes in classification.

§ 145.15 [Amendment]

10. Section 145.15 would be amended by changing paragraph (d) to read:

(d) Birds trapnested for qualification on the basis of either 8 months or 365 days of trapnesting may be withdrawn within 4 months after the date of the first egg laid by the family, provided the entire (dam) family is withdrawn.

§ 145.16 [Amendment]

11. Section 145.16 would be amended by changing subparagraphs (1) and (2) of paragraph (a) to read, respectively:

(1) If an individual bird has laid at the rate of 60 percent or more during a period of at least 8 months, when trapnested a minimum of five consecutive days per month and a minimum of 50 days; or

(2) If the members of an entire family of six or more full sisters have laid at an average rate of 65 percent or more during a period of at least 8 months, when trapnested a minimum of five consecutive days per month and a minimum of 50 days; or

§ 145.22 [Amendment]

12. Section 145.22 would be amended by changing paragraph (b) to read:

(b) Any person who, in the opinion of the Official State Agency, is conducting a systematic program of poultry breeding is eligible for participation. The application for qualification shall be made by the breeder of the parent stock.

§ 145.23 [Amendment]

13. Section 145.23 would be amended by changing the section heading to read: "U.S. Performance Tested Parent Stock; candidates."

14. Section 145.23 would be further amended by changing paragraphs (a), (b), (c), and (d) and the introductory portion and subparagraph (2) of paragraph (e) to read, respectively:

(a) The candidates may consist of any breed, variety or strain, or cross thereof, or hybrid combination; provided the stock designated as the entry is produced and available in commercial quantities.

(b) Candidates for qualification as U.S. Performance Tested Parent Stock for egg production shall be represented by an entry in an officially recognized central or multiple unit random sample egg production test.

(c) Candidates for qualification as U.S. Performance Tested Parent Stock for meat production shall be represented by an entry in an officially recognized central random sample meat production test.

(d) Application for the U.S. Performance Tested Parent Stock classification shall be made by the breeder to the Official State Agency by the beginning of each calendar year for stock to be represented in tests to be started during that year.

(e) To be eligible for qualification as U.S. Performance Tested Parent Stock, the random sample of eggs shall be taken under the supervision of the Official State Agency in accordance with the following procedures:

(2) The eggs shall be taken from the nests, the farm egg room, or cases of hatching eggs or setting trays in the hatchery, in proportion to the number of birds in each flock represented.

15. Section 145.24 would be amended by changing the heading and paragraph (a) to read, respectively:

§ 145.24 U.S. Performance Tested Parent Stock; qualification.

(a) Stocks offered for qualification under §§ 145.22 and 145.23 and for which reports have been made as required by § 145.26 may qualify as:

(1) Performance Tested Parent Stock for egg production when such stock, represented in one or more officially recognized central or multiple unit random sample egg production tests, ranked, in income above feed and chick costs per pullet housed, above the average for all entries in all tests, after adjustment for location effects and number of tests entered (regressed mean). When the candidates are represented by more than one entry, qualification shall be based on the average performance of all such entries.¹

(2) Performance Tested Parent Stock for meat production when such stock, represented in one or more officially recognized random sample meat production tests, ranked, in rate of growth and in rate of egg production on a hen-housed basis, above the average for all entries in all tests, after adjustment for location effects and number of tests entered (regressed mean). When the candidates are represented by more than one entry, qualification shall be based on the average performance of all such entries.¹

16. Section 145.24 would be further amended by changing paragraph (d) to read:

(d) Stock classified as Performance Tested Parent Stock may retain that classification for one year after classification, provided the stock is maintained under the supervision of the qualifying breeder, and is mated in the same combination, and for one more year when, in addition, the stock has been continuously represented by an entry as provided in § 145.23. When the entry on which qualification is based is the progeny of a combination of two stocks which are distributed commercially under different strain or trade names, the Performance Tested Parent Stock classification shall be limited to those matings in which the same stocks are combined. This limitation shall be specified when the Performance Tested Parent Stock classification is referred to in advertising or certification of either of the parent stocks.

§ 145.26 [Amendment]

17. Section 145.26 would be amended by changing the introductory paragraph to read:

The Official State Agency, or the Supervisor of the approved test, shall submit to the AH Division, for publication, whichever of the following reports are appropriate for each entry:

18. Section 145.26 would be further amended by changing subparagraphs (9), (11), (13), (14), and (15) of para-

¹ Performance shall be based on the results from test reports received by the AH Division prior to January 1.

graph (a) and adding a new subparagraph (16) to read, respectively:

(9) Average annual egg weights;

(11) Average percent egg production from age at which pullets attained 50 percent production to 500 days of age, hen-day basis;

(13) Pounds of feed per 24 ounces of eggs produced;

(14) Average body weight in pounds and tenths at end of test;

(15) Egg quality data such as: Haugh units; shell thickness and percent of eggs with (i) small blood spots, (ii) large blood spots, (iii) small colored meat spots, and (iv) large colored meat spots;

(16) Net income, computed on the basis of returns over feed and chick costs, per pullet housed.

19. Section 145.26 would be further amended by deleting subdivisions (xiv) and (xv) from subparagraph (1) of paragraph (b) and changing subdivisions (ii), (viii), (ix), (x), (xi), (xii) and (xiii) to read, respectively:

(ii) Duration of the test;

(viii) Average live weight of all pullets at completion of test;

(ix) Average live weight of all cockerels at completion of test;

(x) Number of each sex dressed;

(xi) Percent eviscerated yield of live weight, by sexes;

(xii) Percent distribution in each U.S. Grade, by sexes;

(xiii) Feed conversion per pound of body weight;

§ 145.27 [Amendment]

20. Section 145.27 would be amended by changing paragraphs (a), (b) and (e) to read, respectively:

(a) A central random sample egg production test shall be conducted at a neutral location under the supervision of an Official State Agency and shall consist of entries from two or more participants.

(b) The sample shall be selected as provided in § 145.23(e).

(e) At the end of the test, the Official State Agency or the Supervisor of the approved test shall submit to the AH Division, for publication, a summary for each entry, including the appropriate items specified in § 145.26(a).

§ 145.28 [Amendment]

21. Section 145.28 would be amended by changing paragraph (h) to read:

(h) At the end of the test, the Official State Agency or the Supervisor of the approved test shall submit to the AH Division, for publication, a summary for each entry, including the appropriate items specified in § 145.26(a).

§ 145.29 [Amendment]

22. Section 145.29 would be amended by changing paragraphs (a), (g), (h) and (i) to read, respectively:

(a) A central random sample meat production test shall be conducted at a neutral location under the supervision of an Official State Agency and shall consist of entries from two or more participants.

(g) The duration of the growing test shall be determined by the test management.

(h) At the end of the growing test, individual body weights shall be recorded, by sex, for the growing phase entry. At this time a minimum of 50 cockerels shall be selected at random and dressed under the supervision of the Official State Agency.

(i) At the end of the test, the Official State Agency or the Supervisor of the approved test shall submit to the AH Division, for publication, a summary for each entry, including the appropriate items specified in § 145.26(b).

§ 145.30 [Deletion]

23. Section 145.30 would be deleted.

§ 145.31 [Deletion]

24. Section 145.31 would be deleted.

§ 145.32 [Deletion]

25. Section 145.32 would be deleted.

26. Section 146.1 would be amended by changing the introductory paragraph to read:

Words used in this part in the singular form shall be deemed to import the plural, and vice versa, as the case may demand. Except where the context otherwise requires, for the purposes of this part the following terms shall be construed, respectively, to mean:

§ 146.1 [Amendment]

27. Section 146.1 would be further amended by changing paragraph (e) and adding new paragraphs (t), (u) and (v) to read, respectively:

(e) *State*. Any State, the District of Columbia or Puerto Rico.

(t) *Stock*. A term used to identify the progeny of a specific breeding combination of turkeys. These breeding combinations may include pure strains, strain crosses, breed crosses, or combinations thereof.

(u) *Franchise breeder*. A breeder who normally sells products under a specific strain or trade name and who authorizes other hatcheries to produce and sell products under this same strain or trade name.

(v) *Franchise hatchery*. A hatchery which has been authorized by a franchise breeder to produce and sell products under the breeder's strain or trade name.

§ 146.5 [Amendment]

28. Section 146.5 would be amended by changing paragraph (a) to read:

(a) Poultry houses and the land in the immediate vicinity thereof shall be kept in sanitary condition acceptable to the Official State Agency. The procedures outlined in § 147.31 of this chapter shall

be considered as a guide in determining compliance with this provision.

§ 146.6 [Amendment]

29. Section 146.6 would be amended by changing the portion of paragraph (a) preceding the colon to read:

(a) Hatcheries, including brooder rooms, shall be kept in sanitary condition, acceptable to the Official State Agency. The procedures outlined in §§ 147.32 to 147.35 of this chapter shall be considered as a guide in determining compliance with this provision. The minimum requirements with respect to sanitation shall include the following:

30. Section 146.6 would be further amended by changing subparagraph (5) of paragraph (a) to read:

(5) Hatchers and hatching trays shall be cleaned and fumigated or disinfected after each hatch, preferably using the procedures outlined in §§ 147.34(b) and 147.35(e) of this chapter.

31. Section 146.6 would be further amended by adding a new subparagraph (6) to paragraph (a) to read:

(6) All eggs set should have been fumigated as described in § 147.35(a) of this chapter and should be refumigated as described in § 147.35(c) of this chapter or they should be fumigated within 12 hours after setting as described in § 147.35(b) of this chapter. All eggs should be refumigated after transfer to the hatcher as described in § 147.35(d) of this chapter.

32. Section 146.9 would be amended by changing to read:

§ 146.9 Terminology and classification; hatcheries and dealers.

Participating hatcheries and dealers shall be designated as "National Plan Hatchery" and "National Plan Dealer", respectively. Each participating hatchery or dealer may be assigned a permanent approval number by the AH Division. This number may appear on each invoice and shipping label for each separate sale of poult or eggs. The approval number shall be withdrawn when the hatchery or dealer no longer qualifies for participation in the Plan. All Official State Agencies shall be notified by the AH Division of additions, withdrawals and changes in classification.

§ 146.10 [Amendment]

33. Section 146.10 would be amended by changing the portion of paragraph (c) preceding the colon to read: "Flocks meeting one of the following specifications:"

34. Section 146.10 would be further amended by deleting subparagraph (3) of paragraph (c).

35. Section 146.10 would be further amended by deleting paragraph (e), by redesignating paragraphs (c) and (d) as paragraphs (d) and (e) respectively, and by adding a new paragraph (c) to read:

(c) *U.S. Performance Tested*. All males and females from Performance Tested Parent Stock. In case the tested

stock was a cross of two other stocks, the U.S. Performance Tested flock shall be the same combination of the parent stocks as used for the test entry.

§ 146.30 [Amendment]

36. Section 146.30 would be amended by changing subparagraphs (4), (7) and (10) of paragraph (i) to read, respectively:

(4) Mortality of two weeks of age; to eight weeks of age; and to the end of the test.

(7) Average breast width, body depth and keel length of live or New York dressed birds, by sexes. The report shall show whether the measurements were taken on live or dressed birds. (The breast width shall be measured at the widest point $1\frac{3}{4}$ inches above the keel. The body depth shall be measured at the deepest point. These measurements shall be taken while the birds are suspended by the legs. The keel length shall be measured by the chord from the anterior to the posterior end of the keel.)

(10) Other items of economic importance, such as dressing percentage and feed conversion, at the option of the Official State Agency and the AH Division. (Feed conversion ratio, when reported, shall be computed by two methods: (i) Total live weight of the birds at the completion of the test divided into the weight of the feed used, and (ii) total live weight of the birds at the completion of the test, plus the total weight of the birds that died during the test, divided into the weight of the feed used.)

37. Part 147 would be amended by adding a new Subpart D to read:

Subpart D—Sanitation Procedures

§ 147.31 Flock sanitation.

To aid in the maintenance of healthy flocks the following procedures should be practiced:

(a) Chicks or poults should be started in a clean brooder house and maintained in constant isolation from older birds and other animals. Personnel that are in contact with older birds and other animals should take precautions, including disinfection of footwear and change of outer clothing, to prevent the introduction of infection through droppings that may adhere to the shoes, clothing or hands. (See § 147.34(a).)

(b) Young stock should be grown on range that has not been used for poultry for at least one year. Where broods of different ages must be kept on the same farm, there should be complete depopulation of brooder houses and other premises following any contagious disease.

(c) Poultry houses should be screened and proofed against free-flying birds. An active rodent eradication campaign is an essential part of the general sanitation program. The area adjacent to the poultry house should be kept free from accumulated manure, rubbish and unnecessary equipment. Dogs, cats, sheep, cattle, horses, and swine should never

have access to poultry operations. Visitors should not be admitted to poultry areas and authorized personnel should take the necessary precautions to prevent the introduction of disease.

(d) Poultry houses and equipment should be thoroughly cleaned and disinfected prior to use for a new lot of birds. (See § 147.34(a).) Feed and water containers should be situated where they cannot be contaminated by droppings and should be frequently cleaned and disinfected. Dropping boards or pits should be constructed so birds do not have access to the droppings.

(e) Poultry house floors, other than slats or wire, should be well covered with an absorbent type of litter. Frequent stirring of the litter may be necessary to reduce excess moisture and prevent surface accumulation of droppings. Slat or wire floors should be constructed so as to permit free passage of droppings and to prevent the birds from coming in contact with the droppings. Nesting areas should be kept clean and, where appropriate, filled with clean nesting material.

(f) When an outbreak of disease occurs in a flock, dead or sick birds should be taken, by private carrier, to a diagnostic laboratory for complete examination. All Salmonella and Arizona cultures isolated should be typed serologically and complete records maintained as to types recovered from each flock within an area. Records should be kept on isolations and these records made available to Official State Agencies or other animal disease control regulatory agencies in the respective States for followup of foci of infection. Such information is necessary for the development of an effective Salmonella control program.

(g) Introduction of started or mature birds should be avoided to reduce the possible hazard of introducing infectious diseases. If birds are to be introduced, the health status of both the flock and introduced birds should be evaluated.

(h) In rearing broiler or replacement stock a sound and an adequate immunization program should be adopted. Since different geographic areas may require certain specific recommendations, the program recommended by the State experiment station and other State agencies should be followed.

§ 147.32 Hatching egg sanitation.

Hatching eggs should be collected from the nests at frequent intervals and, to aid in the prevention of contamination with disease causing organisms, the following practices should be observed:

(a) Cleaned and disinfected containers should be used in collecting the eggs and precautions taken to prevent contamination from organisms that may be present on the hands or clothing of the person making the collection.

(b) Dirty eggs should not be used for hatching purposes and should be collected in a separate container from hatching eggs. Slightly soiled eggs may be dry cleaned by hand or motor driven buffer.

(c) The visibly clean eggs should be fumigated as described in § 147.35(a) as soon as possible after collection.

(d) The fumigated eggs should be stored in a cool place. Eggs should be

stored no longer than necessary before setting. Racks used for storing eggs should be properly cleaned and disinfected.

(e) New or fumigated cases should be used to transport eggs to the hatchery. Soiled egg case fillers should be discarded.

§ 147.33 Hatchery sanitation.

An effective program for the prevention and control of Salmonella and other infections should include the following measures:

(a) The hatchery building should be arranged so that separate rooms, with separate ventilation, are provided for each of the four operations: egg receiving, incubation and hatching, chick holding, and disposal of offal and cleaning of trays. These rooms should be placed under isolation so that admission is granted only to specifically authorized personnel who have taken proper precautions to prevent introduction of diseases.

(b) The hatchery rooms, and tables, racks, and other equipment in them should be thoroughly cleaned and disinfected frequently. All hatchery wastes and offal should be burned or otherwise properly disposed of, and the containers used to remove such materials should be cleaned and sterilized after each use.

(c) The hatching compartments of incubators, including the hatching trays, should be thoroughly cleaned and fumigated after each hatch.

(d) Only clean eggs should be used for hatching purposes. All eggs set should be fumigated prior to setting or within 12 hours after they are placed in the incubator. They should also be fumigated after transfer to the hatching compartment. (See § 147.35.)

(e) Only new or clean, fumigated egg cases should be used for transportation of hatching eggs. Soiled egg case fillers should be destroyed.

(f) Day-old chicks, poults or other newly hatched poultry should be distributed in clean, new boxes. All crates and vehicles used for transporting started or adult birds should be cleaned and disinfected after each use.

§ 147.34 Cleaning and disinfecting.

(a) In the poultry houses and hatchery rooms:

(1) Settle dust by spraying lightly with the disinfectant to be used.

(2) Remove all litter and droppings to an isolated area where there is no opportunity for dissemination of any infectious disease organisms that may be present.

(3) Scrub the walls, floors and equipment with a hot soapy water solution. Rinse to remove soap.

(4) Spray with a cresylic disinfectant, such as liquor cresolis saponatus, 4 ounces to the gallon of water, or sodium orthophenylphenate, $1\frac{1}{2}$ ounces (1 heaping tablespoonful) to a gallon of hot water.

(b) In the hatchers:

(1) Remove trays and all controls and fans for separate cleaning. The ceiling, walls and floors should be thoroughly wetted with a stream of water, then scrubbed with a hard bristle brush.

Rinse until there is no longer any deposit on the walls, particularly near the fan opening.

(2) Replace the cleaned fans and controls. Replace the trays, preferably still wet from cleaning, and bring the incubator to normal operating temperature.

(3) The hatcher should be fumigated as described in § 147.35(e) prior to the transfer of the eggs.

(4) If the same machine is used for incubating and hatching, the entire machine should be cleaned after each hatch. A vacuum cleaner should be used to remove chick down from the egg trays, then the entire machine should be vacuumed, mopped and fumigated according to the procedures described in § 147.35(b).

§ 147.35 Fumigation.

Fumigation of eggs and incubators is an essential part of a hatchery sanitation program. Single or repeated fumigation of eggs in the setter may be practiced but the fumigation schedule should be such that no eggs are fumigated during the period from the 24th to the 96th hour of incubation.

(a) Preincubation fumigation of eggs should be done as follows:

(1) Provide a room or cabinet proportionate to the number of eggs to be handled. The room should be relatively tight and equipped with a fan to circulate the gas during fumigation and to expel it after fumigation.

(2) The eggs should be placed in the room on wire racks, which will permit air circulation, and exposed to circulating formaldehyde gas.

(3) Formaldehyde gas is provided by mixing 0.6 grams of potassium permanganate with 1.2 cc of formalin (37.5 percent) for each cubic foot of space in the room. The ingredients should be mixed in an earthenware or enamelware container having a capacity at least ten times the volume of the total ingredients.

(4) Circulate the gas within the room for 20 minutes, then expel.

(5) Humidity for this type of fumigation is not critical but the temperature should be around 70° F. Extra humidity may be provided in dry weather.

(b) Eggs which have not been fumigated prior to setting should be fumigated as soon as possible (within 12 hours) after setting, using the following procedure:

(1) Determine the size of the incubator by multiplying the length times the width times the height.

(2) After setting the eggs and allowing temperature and humidity to regain normal operating levels, release formaldehyde gas into the incubator.

(3) For each cubic foot of space in the incubator use 0.4 grams of potassium permanganate and 0.8 cc of formalin (37.5 percent). Use an earthenware or enamelware container having a capacity of at least ten times the volume of the total ingredients.

(4) Close vents and doors but keep circulating fan operating and continue fumigation for 20 minutes with normal operating temperature and humidity.

(5) After 20 minutes of fumigation, the vents should be opened to the normal operating positions to release the gas.

(c) Eggs which have not been preincubation fumigated as described in paragraph (a) or fumigated within 12 hours after setting as described in paragraph (b) of this section should be fumigated after the 96th hour of incubation. The procedure described in paragraph (b) of this section should be followed.

(d) All eggs should be refumigated after transfer to the hatcher, preferably as soon as the temperature and humidity regain normal operating levels. The procedure described in paragraph (b) of this section should be followed.

(e) Empty hatches should be fumigated between each hatch. After the interior of the hatcher has been thoroughly cleaned and the clean trays returned, the following procedure should be followed:

(1) After temperature and humidity are brought to normal operating levels, use 0.6 grams of potassium permanganate and 1.2 cc of formalin (37.5 percent) per cubic foot of space in the hatcher.

(2) Close the doors and vents and leave closed overnight.

Any person who wishes to submit written data, views, or arguments concerning the proposed amendments of the National Poultry and Turkey Improvement Plans and Auxiliary Provisions may do so by filing them with the Director, Animal Husbandry Research Division, Agricultural Research Center, Beltsville, Maryland, within 30 days after publication hereof in the FEDERAL REGISTER.

Done at Washington, D.C., this 5th day of August 1960.

M. R. CLARKSON,
Acting Administrator,
Agricultural Research Service.

[F.R. Doc. 60-7442; Filed, Aug. 9, 1960; 8:50 a.m.]

DEPARTMENT OF LABOR

Wage and Hour Division

[29 CFR Part 608]

[Administrative Order 537]

INDUSTRY COMMITTEES NOS. 49-A AND 49-B

Resignation and Appointment of Employee Member

Walter J. Mason of Washington, D.C., appointed as an employee representative on Industry Committees Nos. 49-A and 49-B by virtue of Administrative Order No. 535, has resigned.

Now, therefore, pursuant to authority contained in the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U.S.C. 201 et seq.), and Reorganization Plan No. 6 of 1950 (3 CFR, 1950 Supp., p. 165), I hereby appoint Ben J. Man of Washington, D.C., to serve on Industry Committees Nos. 49-A and 49-B as an employee representative replacing Walter J. Mason.

Signed at Washington, D.C., this 4th day of August 1960.

JAMES T. O'CONNELL,
Acting Secretary of Labor.

[F.R. Doc. 60-7436; Filed, Aug. 9, 1960; 8:49 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Bureau of Customs

[193.3]

CHANGES IN ORGANIZATION

JULY 13, 1960.

The customs enforcement officers and their functions have been transferred from the offices of the collectors of customs to the Customs Agency Service and the name of the Division of Investigations has been changed to Division of Investigations and Enforcement.

[SEAL] RALPH KELLY,
Commissioner of Customs.

[F.R. Doc. 60-7437; Filed, Aug. 9, 1960;
8:49 a.m.]

Office of the Secretary

TENNESSEE VALLEY AUTHORITY

Designation of Securities for Exemption

AUGUST 4, 1960.

Paragraph 12 of section 3(a) of the Securities Exchange Act of 1934, as amended, provides in part that when used in Title I thereof, unless the context otherwise requires, the term "exempted security" or "exempted securities" shall include "such securities issued or guaranteed by corporations in which the United States has a direct or indirect interest as shall be designated for exemption by the Secretary of the Treasury as necessary or appropriate in the public interest or for the protection of investors."

Notice is hereby given that pursuant to paragraph 12 of section 3(a) of the Securities Exchange Act of 1934, as amended, securities issued by the Tennessee Valley Authority under authority of section 15d of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831n-4), were designated for exemption on August 4, 1960.

This designation for exemption may be revoked, modified or amended at any time with respect to securities not issued prior to such time.

[SEAL] JULIAN B. BAIRD,
Acting Secretary of the Treasury.

[F.R. Doc. 60-7439; Filed, Aug. 9, 1960;
8:49 a.m.]

[Treasury Dept. Order 180-5]

COMMISSIONER OF NARCOTICS

Delegation of Functions

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950 and by P.L. 86-429, there is hereby delegated to the Commissioner of Narcotics authority to perform all the functions of the Secretary of the Treasury under P.L.

86-429, 74 Stat. 55, cited as the "Narcotics Manufacturing Act of 1960".

The functions herein transferred to the Commissioner of Narcotics may be delegated by him to subordinates as he deems necessary.

Regulations issued by the Commissioner of Narcotics under the Narcotics Manufacturing Act of 1960 shall be subject to approval by the Secretary of the Treasury.

Dated: August 3, 1960.

[SEAL] A. GILMORE FLUES,
Acting Secretary of the Treasury.

[F.R. Doc. 60-7438; Filed, Aug. 9, 1960;
8:49 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ALASKA

Notice of Proposed Withdrawal and Reservation of Lands

The U.S. Forest Service has filed an application, Serial Number J-011889 for the withdrawal of the lands described below, from all forms of appropriation under the public land laws, including the mining laws, but excepting the mineral leasing laws. The applicant desires the land for Administrative Site purposes.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, P.O. Box 2511, Juneau, Alaska.

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

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

The lands involved in the application are:

PETERSBURG AREA

U.S. Survey 2467: Lot 6 containing 4.14 acres.

WARNER T. MAY,
Operations Supervisor.

[F.R. Doc. 60-7433; Filed, Aug. 9, 1960;
8:49 a.m.]

ALASKA

Small Tract Classification Orders Nos. 14, 45, 56, 79, 89, 100, 108 Cancelled in Part

AUGUST 2, 1960.

By virtue of the authority contained in the Act of June 1, 1938 (52 Stat. 609; 43 U.S.C. 682a), as amended, and pur-

suant to the authority delegated to me by Bureau Order 541, dated April 21, 1954 (19 F.R. 2473), as amended, it is ordered as follows:

(1) Effective immediately, Small Tract Classification Order No. 14, dated September 29, 1949, is cancelled insofar as it affects lands in U.S. Survey 2960 and U.S. Survey 2540, near Juneau, Alaska.

(2) Effective immediately, Small Tract Classification Order No. 45, dated October 10, 1951, is cancelled insofar as it affects the following described lands in U.S. Survey 2305, near Juneau, Alaska: Lots 14 and 16.

(3) Effective immediately, Small Tract Classification Order No. 56, dated May 2, 1952, is cancelled insofar as it affects the following described lands near Juneau, Alaska: Lot 20 of U.S. Survey 3171; Lots 46 and 47 of U.S. Survey 3173.

(4) Effective immediately, Small Tract Classification Order No. 79, dated March 4, 1954, is cancelled insofar as it affects Lot 14 of U.S. Survey 2305, near Juneau, Alaska.

(5) Effective immediately, Small Tract Classification Order No. 89, dated December 1, 1954, is cancelled insofar as it affects the following described lands near Juneau, Alaska: in U.S. Survey 3171, Lot 20; in U.S. Survey 3172, Lots 32, 37 and 38; in U.S. Survey 3173, Lots 46 and 47.

(6) Effective immediately, Small Tract Classification Order No. 100, dated June 10, 1955, affecting lands near Sitka, Alaska, is cancelled.

(7) Effective immediately, Small Tract Classification Order No. 108, dated September 30, 1955, is cancelled insofar as it affects Lots 1 and 8 of U.S. Survey 3302, near Sitka, Alaska.

WARNER T. MAY,
Operations Supervisor.

[F.R. Doc. 60-7434; Filed, Aug. 9, 1960;
8:49 a.m.]

ALASKA

Notice of Termination of Proposed Withdrawal and Reservation of Lands

Notice of a Bureau of Land Management application serial number Juneau 010598, formerly Anchorage 032449, was published as Federal Register Document No. 56-4994 on page 4638 of the issue for June 26, 1956. The agency has cancelled its application insofar as it involved the lands described below. Therefore, pursuant to the regulations contained in 43 CFR Part 295, such lands will be at 10:00 a.m., on August 10, 1960, relieved of the segregative effort of the above mentioned application.

The lands involved in this notice of termination are:

HAINES AREA

Four parcels of unsurveyed land located on the south shore of Chilkoot Lake, the

Chilkoot River, and the north shore of Lutak Inlet in approximate Latitude 59°40' N., Longitude 136°35' W. described as follows:

Area 1. Commencing at meander corner No. 1 of U.S. Survey No. 161 called corner No. 1 of Area 1, thence S. 89°30' W. for 14 chains to corner No. 2 of Area 1, thence N. 20° W. for 39 chains to corner No. 3, thence N. 70° E. a distance of 6.9 chains to corner No. 4 of Area 1, on the west shore of the Chilkoot River, thence meander in a southeasterly direction along the west shore of the Chilkoot River and Lutak Inlet for approximately 45 chains to meander corner No. 1 of Area 1, the point of beginning, embracing approximately 37 acres.

Area 2. Commencing at meander corner No. 4 of Area 1, extend across Chilkoot River N. 70° E. to the east shore of the Chilkoot River to a point called meander corner No. 1 of Area 2, thence N. 70° E. for 14 chains to corner No. 2 of Area 2, thence S. 20° E. for 14 chains to meander corner No. 3 of Area 2 on the north shore of Lutak Inlet, thence meander in a westerly direction along the north shore of Lutak Inlet to the mouth of the Chilkoot River, thence in a northerly direction along the east shore of the Chilkoot River for approximately 26 chains to meander corner No. 1 of Area 2, the point of beginning, embracing approximately 16 acres.

Area 3. Commencing at corner No. 3 of Area 1, proceed N. 1°30' W. for 48.75 chains to corner No. 1 of Area 3 the point of beginning, thence N. 88° W. for 12 chains to corner No. 2 of Area 3, thence N. 0°30' W. for 8.75 chains to the south shore of Chilkoot Lake to meander corner No. 3, said point being at approximate latitude 59°20'05" N., longitude 135°33'45" W., thence meander in an easterly direction along the south shore of Chilkoot Lake for 12 chains to meander corner No. 4, thence S. 0°30' W. a distance of 6.3 chains to corner No. 1 of Area 3, the point of beginning, embracing approximately 9 acres.

Area 4. Commencing at meander corner No. 4 of Area 3, extend across the Chilkoot River N. 0°30' E. to the north shore of the Chilkoot River to a point called meander corner No. 1 of Area 4, thence N. 0°30' E. for 16.25 chains to corner No. 2 of Area 4, thence N. 89° W. for 13 chains to the east shore of Chilkoot Lake to corner No. 3 of Area 4, thence meander in a southeasterly direction to meander corner No. 1, the point of beginning, embracing approximately 13 acres.

WARNER T. MAY,
Operations Supervisor, Juneau.

[F.R. Doc. 60-7435; Filed, Aug. 9, 1960; 8:49 a.m.]

[Notice 14]

ALASKA

Notice of Filing of Alaska Protraction Diagrams; Fairbanks Land District

AUGUST 2, 1960.

Notice is hereby given that the following protraction diagrams have been officially filed of record in the Fairbanks Land Office, 516 Second Avenue, Fairbanks, Alaska. In accordance with 43 CFR 192.42a(c) (24 F.R. 4140, May 22, 1959) oil and gas offers to lease lands shown in these protracted surveys, filed 30 days after publication of this notice in the FEDERAL REGISTER, must describe the lands only according to the Section, Township and Range shown on the approved protracted surveys. The protraction

diagrams are also applicable for all other authorized uses.

ALASKA PROTRACTION DIAGRAMS (UNSURVEYED)

KATEEL RIVER MERIDIAN

Folio No. 13—Approved July 8, 1960

Sheet No.

1. Ts. 1 thru 4 S., Rs. 17 thru 20 W.
2. Ts. 1 thru 4 S., Rs. 21 thru 24 W.
3. Ts. 1 thru 4 S., Rs. 25 thru 28 W.
4. Ts. 1 thru 4 S., Rs. 29 thru 32 W.
5. Ts. 5 thru 8 S., Rs. 29 thru 32 W.
6. Ts. 5 thru 8 S., Rs. 25 thru 28 W.
7. Ts. 5 thru 8 S., Rs. 21 thru 24 W.
8. Ts. 5 thru 8 S., Rs. 17 thru 20 W.
9. Ts. 9 thru 12 S., Rs. 17 thru 21 W.
10. Ts. 9 thru 12 S., Rs. 21 thru 24 W.
11. Ts. 9 thru 12 S., Rs. 25 thru 28 W.
12. Ts. 9 thru 12 S., Rs. 29 thru 32 W.

Cover sheet showing location map and index.

FAIRBANKS MERIDIAN

Folio No. 10—Approved July 20, 1960

Sheet No.

9. (Revised) Ts. 9 thru 12 S., Rs. 1 thru 4 W.
10. Ts. 9 thru 12 S., Rs. 5 thru 8 W.
11. Ts. 9 thru 12 S., Rs. 9 thru 12 W.
15. Ts. 13 thru 16 S., Rs. 5 thru 8 W.

Copies of these diagrams are for sale at one dollar (\$1.00) per sheet and may be obtained from the Fairbanks Land Office, Bureau of Land Management, mailing address: 516 Second Avenue, Fairbanks, Alaska.

DANIEL A. JONES,
Manager.

[F.R. Doc. 60-7413; Filed, Aug. 9, 1960; 8:46 a.m.]

EAST ADDITION, TOWNSITE OF KODIAK, ALASKA

Notice of Sale of Lots

AUGUST 1, 1960.

1. **Statutory authority.** The lots in the East Addition, Kodiak Townsite will be disposed of under section 2381, United States Revised Statutes (43 U.S.C. sec. 712). The townsite plat of the Dependent Resurvey of a Portion of U.S. Survey No. 2538A and Extension of U.S. Survey No. 2538B East Addition of Townsite of Kodiak, Alaska, was accepted on February 20, 1958 and officially filed on April 17, 1958.

2. **Lots and minimum prices.** The lots which will be offered for sale and minimum prices thereof are shown below.

3. **Public sale.** The lots will be offered for sale by the Operations Supervisor, Anchorage or his representative at public outcry to the highest bidder at the Court Room in the Post Office Building at Kodiak, Alaska, on August 24, 1960, beginning at 10:00 a.m. The sale will be continued from day to day as long as may be necessary until all the lots have been offered.

4. **Payments.** No lot shall be sold for less than the minimum price. Full payment may be made in cash on the date of the sale, or one-fourth of the purchase price may be paid in cash at that time and the balance in not to exceed three equal annual installments, with in-

terest at the rate of four percent per annum to the date of payment. Payment on the date of the sale must be made to the officer conducting the sale. The deferred installments, with the interest, must be paid to the Manager, Anchorage Land Office, Cordova Building, 6th and Cordova, Anchorage, Alaska.

5. **Citizenship requirements.** Every individual purchasing a lot will be required to furnish evidence that he is a citizen of the United States, or that he has declared his intention to become such a citizen, and every corporation purchasing a lot will be required to furnish evidence, including a certified copy of its articles of incorporation, showing that it was organized under the laws of the United States or of some State, Territory, or possession thereof, and that it is authorized to acquire and hold real estate in Alaska.

6. **Manner of sale.** Bids and payments may be made in person or by agent, but may not be made by mail nor at any time or place other than that fixed by these regulations. Any person may purchase any number of lots for which he is the successful bidder. No bids will be made in increments of less than \$10.00.

7. **Authority of officer conducting the sale.** The officer conducting the sale is hereby authorized to reject any and all bids for any lot, and to suspend, adjourn, or postpone the sale of any lot or lots. After all the lots have been offered, the sale will be adjourned or closed, as the officer in charge may deem proper.

8. **Forfeitures for nonpayment.** If any person who has made partial payment on a lot fails to make any succeeding payment required under these regulations, at the date such payment becomes due, the money theretofore paid and his right to the lot will be forfeited.

9. **Removal of improvements.** Owners of buildings who do not purchase the lots on which the buildings are located will be allowed three months from the date of the sale in which to remove their improvements.

10. **Disposal of unsold lots after sale has been adjourned.** Lots remaining unsold upon adjournment of this sale will be held for future disposition at public sale at such time as a demand for the lots exists.

11. **Reservations.** Patents for the lots, when issued, will contain the reservations of rights-of-way for ditches and canals in accordance with the Act of August 30, 1890 (26 Stat. 391), and for the construction of railroads and telegraph and telephone lines as provided by the Act of March 12, 1914 (38 Stat. 305).

12. **Warning.** All persons are warned against forming any combination or agreement which will prevent any lot from selling advantageously or which will, in any way, hinder or embarrass the sale. Any persons so offending will be prosecuted under section 59 of the Criminal Code of the United States (18 U.S.C. sec. 113).

NOTICES

BLOCK 40

Lot		Lot	
9-----	\$150.00	11-----	\$150.00
10-----	150.00	12-----	150.00

BLOCK 41

Municipal Reserve.

BLOCK 42

Lot		Lot	
1-----	\$150.00	13-----	\$250.00
2-----	150.00	14-----	250.00
3-----	120.00	15-----	250.00
8-----	150.00		

BLOCK 43

Lot		Lot	
1-----	\$150.00	10-----	\$75.00
2-----	150.00	11-----	100.00
3-----	150.00	12-----	150.00
4-----	150.00	13-----	150.00
5-----	150.00	14-----	150.00
6-----	150.00	15-----	150.00
9-----	75.00	16-----	150.00

BLOCK 44

Lot		Lot	
1-----	\$150.00	12-----	\$150.00
2-----	150.00	13-----	150.00
3-----	150.00	14-----	150.00
4-----	150.00	15-----	150.00
5-----	150.00	16-----	150.00
11-----	150.00		

BLOCK 45

Lot		Lot	
3-----	\$140.00	10-----	\$150.00
4-----	140.00	11-----	150.00
5-----	140.00	12-----	150.00
6-----	140.00	13-----	150.00
7-----	140.00	14-----	120.00
8-----	140.00	15-----	120.00
9-----	150.00	16-----	100.00

BLOCK 46

Lot		Lot	
1-----	\$70.00	6-----	\$130.00
2-----	80.00	7-----	130.00
3-----	90.00	8-----	130.00
4-----	150.00	9-----	150.00
5-----	150.00		

BLOCK 47

Lot		Lot	
1-----	\$95.00	13-----	\$80.00
2-----	95.00	14-----	80.00
3-----	105.00	15-----	80.00
4-----	115.00	16-----	80.00

BLOCK 48

Lot		Lot	
5-----	\$125.00	7-----	\$150.00
6-----	150.00	8-----	150.00

BLOCK 49

Lot		Lot	
1-----	\$200.00	7-----	\$150.00
2-----	195.00	8-----	150.00
3-----	200.00	9-----	150.00
4-----	190.00	10-----	140.00
5-----	185.00	11-----	190.00
6-----	185.00		

BLOCK 50

Lot		Lot	
1-----	\$80.00	12-----	\$100.00
2-----	100.00	13-----	65.00
3-----	100.00	14-----	80.00
4-----	100.00	15-----	100.00
5-----	100.00	16-----	100.00
6-----	100.00	17-----	100.00
7-----	100.00	18-----	100.00
8-----	100.00	19-----	100.00
9-----	100.00	20-----	100.00
10-----	100.00	21-----	85.00
11-----	100.00	22-----	85.00

BLOCK 51

Lot		Lot	
5 (Partial R/W) --	\$120.00	14 (Partial R/W) --	\$85.00
6-----	120.00	16 (Partial R/W) --	100.00
7-----	120.00	17-----	100.00
10-----	100.00	18-----	100.00
11-----	85.00	19-----	100.00
12-----	85.00	20-----	70.00
13-----	85.00		

BLOCK 53

Lot		Lot	
1-----	Municipal Reserve	7-----	\$150.00
4-----	\$125.00	8-----	150.00
5-----	125.00	9-----	150.00
6-----	150.00	10-----	150.00
		11-----	150.00

BLOCK 54

Lot		Lot	
1-----	\$180.00	9-----	\$180.00
2-----	180.00	10-----	180.00
3-----	120.00	11-----	165.00
4-----	120.00	12-----	165.00
5-----	120.00	13-----	180.00
6-----	120.00	14-----	180.00
7-----	100.00	15-----	180.00
8-----	130.00		

BLOCK 55

Lot		Lot	
1-----	\$200.00	13-----	Municipal Reserve
2-----	200.00		

BLOCK 56

Lot		Lot	
1-----	\$180.00	6-----	\$180.00
2-----	180.00	7-----	180.00
3-----	180.00	8-----	180.00
4-----	180.00	9-----	180.00
5-----	180.00	10-----	180.00

BLOCK 57

Lot		Lot	
1-----	\$150.00	6-----	\$150.00
2-----	150.00	7-----	150.00
3-----	150.00	8-----	150.00
4-----	150.00	9-----	150.00
5-----	150.00	10-----	150.00

L. T. MAIN,

Operations Supervisor, Anchorage.

[F.R. Doc. 60-7407; Filed, Aug. 9, 1960; 8:46 a.m.]

DEPARTMENT OF COMMERCE

Federal Maritime Board

[Docket No. 869]

PACIFIC COAST-HAWAII AND ATLANTIC/GULF-HAWAII; GENERAL INCREASES IN RATES

Notice of Supplemental Order

Notice is hereby given that the Federal Maritime Board has entered, on July 20, 1960, the following Thirty-Ninth Supplemental Order to the original order in this proceeding, dated September 10, 1959, which appeared in the FEDERAL REGISTER of September 23, 1959 (24 F.R. 7656):

THIRTY-NINTH SUPPLEMENTAL ORDER

It appearing that by orders issued on September 10, 1959, and later, the Board has ordered an investigation and hearing in this proceeding into the reasonableness and lawfulness of various tariff schedules filed by respondents herein covering, among other things, freight

rates from, to, and between Pacific Coast Ports and Ports in Hawaii; and

It further appearing that such orders provide that the investigation instituted thereby includes all matters and issues with respect to the lawfulness of all freight schedules of the respondent carriers named in effect between Ports in Hawaii and Ports on the Pacific Coast of the United States; and

It further appearing that there has been filed with the Federal Maritime Board by Isbrandtsen Company, Inc., Freight Tariff No. 1, F.M.B.-F. No. 6, naming rates on general and refrigerated cargo between San Diego, California, and Hawaiian Islands Ports of Call, which names rates at a level generally the same as those under investigation applying between Pacific Coast Ports on the one hand and Ports and points in Hawaii, on the other, and

It further appearing that the rates named in said freight Tariff No. 1, F.M.B.-F. No. 6, include the 12½ percent increase in rates now specifically under investigation in this proceeding, and

It further appearing that the Board, upon consideration of said tariff schedule is of the opinion that the rates, charges, rules, regulations and practices named therein, should be made the subject of public investigation and hearing to determine whether they are just and reasonable and otherwise lawful under the Shipping Act, 1916, and/or the Intercoastal Shipping Act, 1933; and

It further appearing, that Isbrandtsen Steamship Company, Inc., has agreed with respect to the 12½ percent increase contained in the rates stated in said tariff schedule, (1) to keep account of all monies received by reason of such increased rates commencing with July 21, 1960, and terminating with the effective date of the Board's order finally determining the reasonableness and lawfulness of the rates, charges, regulations and practices set forth in said schedule and; (2) upon final determination of the Board, to refund to the person who paid the freight, any freight charges collected under such increased rates contained in said schedule during the said period, which may be in excess of those determined by the Board to be just and reasonable and otherwise lawful;

Now therefore, it is ordered, That this investigation be, and it is hereby, expanded to include the lawfulness of the rates, charges, rules and regulations contained in said tariff schedule under the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, with a view to making such findings and order in the premises as the facts and circumstances shall warrant and

It is further ordered, That said tariff schedule be, and it is hereby, permitted to become effective without suspension; and

It is further ordered, That Isbrandtsen Company, Inc., with respect to the 12½ percent increase contained in the rates stated in said tariff schedule, shall (1) keep account of all monies received by reason of such increased rates commencing with July 21, 1960, and terminating with the effective date of the Board's order finally determining the reason-

ableness and lawfulness of the rates, charges, regulations and practices set forth in said schedule and; (2) that such carrier, upon final determination by the Board shall refund to the person who paid the freight, any freight charges collected under such increased rates contained in said schedule during the said period, which may be in excess of those determined by the Board to be just and reasonable and otherwise lawful; and

It is further ordered, That no change shall be made in the rates or other matters affecting the rates contained in said tariff as of the date of this order, or filed as of the date of this order to later become effective, until this investigation has been terminated by final order of the Board, unless otherwise authorized by special permission of the Board; and

It is further ordered, That the investigation in this proceeding shall not be confined to the matters and issues hereinbefore stated as the reason for instituting this investigation, but shall include all matters and issues with respect to the lawfulness of said schedule and of all other freight schedules of the carrier named herein in effect between Pacific Coast ports on the one hand and ports and points in Hawaii on the other, under the Shipping Act, 1916, and/or the Intercoastal Shipping Act, 1933; and

It is further ordered, That copies of this order shall be filed with said tariff schedule in the Office of the Federal Maritime Board; and

It is further ordered, That Isbrandtsen Company, Inc., be named a respondent herein; that a copy of this order shall forthwith be served upon them and upon all other respondents and protestants herein; and that this order be published in the FEDERAL REGISTER.

Dated: August 4, 1960.

By order of the Federal Maritime Board.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 60-7424; Filed, Aug. 9, 1960; 8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

ED DARNELL & SONS COMMISSION CO. ET AL.

Deposting of Stockyards

It has been ascertained, and notice is hereby given, that the stockyards named herein, originally posted on the respective dates specified below as being subject to the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), no longer come within the definition of a stockyard under said act for the reason that they are no longer being conducted or operated as public markets, and are, therefore, no longer subject to the provisions of the act.

Name of Stockyard and Date of Posting

- Ed Darnell & Sons Commission Co., West Helena, Ark., Feb. 23, 1959.
- Antioch Sales & Commission, Antioch, Ill., Nov. 18, 1959.
- Hemlock Auction Sales, Inc., Hemlock, Mich., May 14, 1959.
- Winger Sale Barn, Winger, Minn., Dec. 17, 1959.
- Rhodes Commission Co., Advance, Mo., May 13, 1959.

Notice or other public procedure has not preceded promulgation of the foregoing rule since it is found that the giving of such notice would prevent the due and timely administration of the Packers and Stockyards Act and would, therefore, be impracticable and contrary to the public interest. There is no legal warrant or justification for not depositing promptly a stockyard which is no longer within the definition of that term contained in said act.

The foregoing is in the nature of a rule granting an exemption or relieving a restriction and, therefore, may be made effective in less than 30 days after publication in the FEDERAL REGISTER. This notice shall become effective upon publication in the FEDERAL REGISTER.

(42 Stat. 159, as amended and supplemented; 7 U.S.C. 181 et seq.)

Done at Washington, D.C., this 4th day of August 1960.

HOWARD J. DOGGETT,
Director, Packers and Stockyards Division, Agricultural Marketing Service.

[F.R. Doc. 60-7419; Filed, Aug. 9, 1960; 8:47 a.m.]

Agricultural Research Service

IDENTIFICATION OF CARCASSES OF CERTAIN HUMANELY SLAUGHTERED LIVESTOCK

Supplemental List of Humane Slaughterers

Pursuant to section 4 of the Act of August 27, 1958 (7 U.S.C. 1904) and the statement of policy thereunder in 9 CFR 181.1, the following table lists additional establishments operated under Federal inspection under the Meat Inspection Act (21 U.S.C. 71 et seq.) which have been officially reported as humanely slaughtering and handling the species of livestock respectively designated for such establishments in the table. This list supplements the list previously published under the act (25 F.R. 7222) for July and represents those establishments and species which were reported too late to be included in the earlier list or which have come into compliance with respect to species indicated since the completion of the reports on which the earlier list was based. The establishment number given with the name of the establishment is branded on each carcass of livestock inspected at that establishment. The table should not be understood to indicate that all species of livestock slaughtered at a listed establishment are slaughtered and handled by humane methods unless all species are listed for that establishment in the table. Nor should the table be understood to indicate that the affiliates of any listed establishment use only humane methods:

Name of establishment	Establishment No.	Cattle	Calves	Sheep	Goats	Swine	Horses
John Morrel & Co.	17D	(*)		(*)			
Patrick Cudahy, Inc.	28	(*)				(*)	
Roegelien Provision Co.	32	(*)					
Armour & Co.	100			(*)			
West Coast Meat Co.	117	(*)		(*)			
Armour & Co.	139			(*)			
Seattle Packing Co.	191			(*)		(*)	
Marhoefer Packing Co., Inc.	200	(*)					
Armour & Co.	238			(*)		(*)	
Maurer Neurer	240						
Zuman Abattoir	273	(*)				(*)	
Stadler Packing Co., Inc.	320	(*)					
Great Western Packing Co.	334	(*)					
Peters Packing Co., Inc.	341		(*)			(*)	
Phila. Boneless Beef Co.	418	(*)					
Murray Packing Co., Inc.	421		(*)			(*)	
Del Curto Meat Co.	445	(*)		(*)			
Eckert Packing Co.	471	(*)				(*)	
East Tenn. Packing Co.	487	(*)				(*)	
Pearl Packing Co., Inc.	524						
City of Austin Municipal Abattoir	590			(*)	(*)		
Quality Meat Packing Co.	611		(*)				
San Joaquin Packing Co.	671	(*)					
Carter Packing Co.	698	(*)				(*)	
Schnake Packing Co.	761	(*)					
Modern Meat Packing Co.	774	(*)					
Acees Meat Co., Inc.	809	(*)					
Wells & Davies Packing Co.	860	(*)					
Volz Packing Co.	938	(*)					
Klarer Dixie, Inc.	995D	(*)	(*)				
Harris Packing Co.	1175					(*)	
Union Packing Co.	3050	(*)					

Done at Washington, D.C., this 5th day of August 1960.

A. R. MILLER,
Director, Meat Inspection Division, Agricultural Research Service.

[F.R. Doc. 60-7443; Filed, Aug. 9, 1960; 8:50 a.m.]

Office of the Secretary
WISCONSIN

Designation of Area for Production
Emergency Loans

For the purpose of making production emergency loans pursuant to section 2

(a) of Public Law 38, 81st Congress (12 U.S.C. 1148a-2(a)), as amended, it has been determined that in the following counties in the State of Wisconsin a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

WISCONSIN

Door. Kewaunee.

Pursuant to the authority set forth above, production emergency loans will not be made in the above-named counties after June 30, 1961, except to applicants who previously received such assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 4th day of August 1960.

TRUE D. MORSE,
Acting Secretary.

[F.R. Doc. 60-7422; Filed, Aug. 9, 1960;
8:47 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket 12604; FCC 60-941]

BLUE ISLAND COMMUNITY BROADCASTING CO., INC., ET AL.

Order Designating Applications for Consolidated Hearing on Stated Issues.

In re applications of Blue Island Community Broadcasting Co., Inc., Blue Island, Illinois, requests: 105.9 Mc, No. 290; 22.2 kw; 226.56 ft.; Docket No. 12604, File No. BPH-2458; The News-Sun Broadcasting Co., Waukegan, Illinois, requests: 106.7 Mc, No. 294; 34.7 kw; 258 ft.; Docket No. 13292, File No. BPH-2543; William O. Barry and H. C. Young, Jr., d/b as Hi-Fi Broadcasting Company, Chicago, Illinois, requests: 106.7 Mc, No. 294; 10.8 kw; 555 ft.; Docket No. 13293, File No. BPH-2589; Elmwood Park Broadcasting Corporation, Elmwood Park, Illinois, requests: 105.9 Mc, No. 290; 32 kw; 246 ft.; Docket No. 13294, File No. BPH-2636; Mrs. Evelyn R. Chauvin Schoonfield (WXFM), Elmwood Park, Illinois, requests: Renewal of license of Station WXFM (FM) (105.9 Mc, No. 290; 32 kw; 250 ft.); Docket No. 13296, File No. BRH-179; Edward L. Waterman, Park Forest, Illinois, requests: 105.5 Mc, No. 288; 1 kw; 125 ft.; Docket No. 13708, File No. BPH-2845; Walter A. Hotz and Charles W. Kline d/b as Radio America, Chicago, Illinois, requests: 106.7 Mc, No. 294; 60 kw; 487 ft.; Docket No. 13709, File No. BPH-2858; Gordon D. Boss, Harold D. Botma, William H. Botma and Joseph J. Van Schouwen d/b as Gordon Boss & Associates, Lansing, Illinois, requests 106.3 Mc, No. 292; 1 kw; 239 ft.; Docket No. 13710, File No. BPH-2977; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the above-captioned and described applications;

It appearing that the Commission, by order adopted December 2, 1959, designated for hearing six applications for FM broadcast authorizations, including the first five above-captioned and described applications, plus the application of Suburban Broadcasters (Docket No. 13295, File No. BPH-2748) for a construction permit for a new Class A FM broadcast station to operate on 106.3 megacycles (Channel 292) at Berwyn, Illinois, because the six proposals were interlinked by interference problems; and

It further appearing that, on April 13, 1960, the Commission granted petitions of the Blue Island Community Broadcasting Co., Inc., (Blue Island) to enlarge issues and to sever the proceeding instituted by the aforementioned Order of December 2, 1959, following an amendment to the application of Suburban Broadcasters on January 14, 1960, and subsequent dismissal on February 19, 1960, which eliminated the interference problems between the groups of applications requesting authority to operate on Channel 290 (Blue Island, Elmwood Park Broadcasting Corporation (Elmwood Park) and Evelyn R. Chauvin Schoonfield (Mrs. Schoonfield)) and the two applications requesting authority to operate on Channel 294 (The News-Sun Broadcasting Co. (News-Sun) and the Hi-Fi Broadcasting Company (Hi-Fi)) and, upon the grant of said petitions, severed the applications requesting Channel 290 from the proceeding on the two applications requesting 294; and

It further appearing that the proposal of Edward L. Waterman would be involved in mutual interference with the proposal of Blue Island and was timely filed to be entitled to consolidation with the latter application pursuant to § 1.106 (b) (1) of the Commission rules; that the application of Radio-America is interlinked by interference problems with the applications of News-Sun and Hi-Fi and was timely filed to be entitled to consolidation with the latter two applications pursuant to § 1.106(b) (1) of the Commission rules; and

It further appearing that the proposal of Gordon Boss & Associates would cause mutual interference within the one mv/m contours of the operation proposed by Blue Island, Hi-Fi and Radio America, would cause interference within the one mv/m contours of the existing operation of WXFM and the operation proposed by Elmwood Park; and

It further appearing that on April 7, 1960, the application of Gordon Boss & Associates (Associates) was tendered for filing and is therefore timely filed to be consolidated in a hearing proceeding on the above-captioned applications and that the designation for hearing of Associates' application requires the consolidation for hearing in a single proceeding of all the applications herein; and

It further appearing that except as indicated by the issues specified below, each of the applicants herein, is legally, technically, financially and otherwise qualified to construct and operate its instant proposal with the exception of

Elmwood Park, which may not be financially qualified, and Evelyn R. Chauvin Schoonfield, who may not be legally, financially or otherwise qualified; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission by letters dated December 22, 1959, and June 2, 1960, and incorporated herein by reference, notified the instant applicants, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of any one of the applications of Mr. Waterman, Radio America and Associates would serve the public interest, convenience and necessity; and that the said applications should be designated for hearing in a consolidated proceeding with the applications of Blue Island, News-Sun, Hi-Fi, Elmwood Park and Mrs. Schoonfield; and that copies of the aforementioned letters are available for public inspection at the Commission's offices; and

It further appearing that Mr. Waterman, Radio America and Associates filed timely replies to the aforementioned letters, which replies have not, however, entirely eliminated the grounds and reasons precluding a grant of the said applications and requiring an evidentiary hearing on the particular issues herein-after specified; and

It further appearing that on June 21, 1960, Associates filed a reply to the Commission's letter of June 2, 1960, in which it is contended that the interference that Associates' proposal would cause to the existing operation of WXFM or to any of the other proposals which may be granted would affect less than one percent of the population within the respective normally protected service areas and that Associates' proposal would provide an interference-free signal to almost 79 percent of the population within its one mv/m contour; but that the Commission is of the opinion that Associates' proposal should be designated for a hearing in the proceeding ordered below to determine whether a grant of said proposal would serve the public interest; and

It further appearing that The News-Sun Broadcasting Co. (BPH-2543), licensee of AM broadcast station WKRS, Waukegan, Illinois, proposes to mount the FM antenna on one of the two towers of the directional antenna system of Station WKRS, and that, in the event of a grant of this application it should contain the condition hereinafter ordered; and

It further appearing that Radio America (BPH-2858) proposes to mount its antenna on the same tower and directly opposite the antenna of Station WCLM (FM), and that, in the event of a grant of this application it should contain the condition hereinafter ordered; and

It further appearing that Radio America (BPH-2858) proposes to accept the interference from BPH-2805, and that, in the event of a grant of this application it should contain the condition hereinafter ordered; and

It further appearing that the Commission's letter of December 22, 1959, raised a question as to whether the participa-

tion of Charles W. Kline, partner in the applicant Radio America, in the proposed operation of Edward L. Waterman would contravene § 3.240 of the Commission's rules on multiple ownership; that in replies dated January 7, 1960, Radio America and Edward L. Waterman stated that Charles W. Kline was listed as "station manager (not general manager)" in Mr. Waterman's and other applications in keeping with Kline's capacity as a management consultant and that Kline has no ownership participation in any application with the exception of the proposal of Radio America; but that the Commission is unable to make a determination in this matter on the basis of the data before it and is of the opinion that the question must be resolved in the hearing ordered below; and

It further appearing that after consideration of the foregoing and the replies of Mr. Waterman, Radio America, and Associates; the Commission is still unable to make the statutory finding that a grant of any of the applications would serve the public interest, convenience and necessity; and is of the opinion that the applications must be designated for hearing in a consolidated proceeding on the issues specified below;

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the three additional applications are consolidated in the hearing proceeding on the other above-captioned applications, at a time and place to be specified in a subsequent Order, upon the following issues:

1. To determine whether the licensee of Station WXFM is financially qualified to own and operate said station.

2. To determine what, if any, connection Doris Keane and her associates have or have had with Station WXFM and whether such connection amounted to an unauthorized transfer of the control of said station.

3. To determine whether Evelyn R. Chauvin Schoonfield has made misrepresentations to the Commission concerning the ownership and/or control of Station WXFM.

4. To determine whether, in the light of the evidence adduced under the foregoing issues, Evelyn R. Chauvin Schoonfield possesses the requisite character qualifications to be the licensee of a broadcast station.

5. To determine the areas and populations within the 1 mv/m contours of the operations proposed by BPH-2458, BPH-2543, BPH-2589, BPH-2636, BPH-2845, BPH-2858, and BPH-2977 and the availability of other such FM broadcast service to the said areas and populations.

6. To determine whether Elmwood Park Broadcasting Corporation is financially qualified to construct and operate the proposed station.

7. To determine the nature and extent of the interference, if any, that each of the instant proposals would cause to and receive from each other and all other existing FM broadcast stations, the areas and populations affected thereby, and the availability of other FM service to

areas and populations involved in the interference between the proposals.

9. To determine the nature of the participation of Charles W. Kline in the proposal of Edward L. Waterman, the extent to which such participation would constitute control over said proposal, and whether, in the light of Kline's interest in Radio America, a grant of the application of Waterman and Radio America would be in contravention of § 3.240 of the Rules and the Commission's policies promulgated pursuant thereto.

10. To determine whether considerations with respect to section 307(b) of the Communications Act of 1934, as amended, are applicable to the instant proceeding, and, if so, whether a choice between the applications herein can be reasonably based thereon, and, if so, whether a grant to one or the other of the applicants would provide the more fair, efficient and equitable distribution of radio service.

11. To determine, in the event it is concluded pursuant to the foregoing issues that one of the proposals for Elmwood Park, Illinois, should be granted, which of the proposals of Elmwood Park Broadcasting Corporation and Mrs. Evelyn R. Chauvin Schoonfield would better serve the public interest in the light of the evidence adduced pursuant to the foregoing issues and the record made with respect to the significant differences between the applicants as to:

(a) The background and experience of each having a bearing on the applicant's ability to own and operate the proposed station.

(b) The proposals of each of the instant applicants with respect to the management and operation of the proposed station.

(c) The programming service proposed in each of the instant applications.

12. To determine, in the event that a choice between the applications herein cannot be based upon considerations with respect to section 307(b) of the Communications Act of 1934, as amended, which of the proposals would better serve the public interest in the light of the evidence adduced pursuant to the foregoing issues and the record made with respect to the significant differences between the applicants as to:

(a) The background and experience of each having a bearing on the applicant's ability to own and operate the proposed station.

(b) The proposals of each of the instant applicants with respect to the management and operation of the proposed station.

(c) The programming service proposed in each of the instant applications.

13. To determine, in the light of the evidence adduced pursuant to the foregoing issues, which, if any, of the instant applications should be granted.

It is further ordered, That this order shall supersede the aforementioned order of December 2, 1959 with respect to the issues only, and supersedes the Memorandum Opinion and Order of April 13, 1960 insofar as it severs the applications of Blue Island, Elmwood Park, and Mrs. Schoonfield from the applications of News-Sun and Hi-F; and

It is further ordered, That in the event of a grant of the application of The News-Sun Broadcasting Co. (BPH-2543), the construction permit shall contain a condition requiring that Station WKRS request permission from the Commission to determine power of WKRS by the indirect method; that during the installation of the FM antenna WKRS shall maintain the directional antenna system as closely as possible to values appearing in the license; and that upon completion of the installation WKRS shall submit sufficient data to show that the directional antenna pattern remains substantially unchanged, but if there is any change in the antenna or common point resistance, WKRS shall submit Forms 302 to report the change; and

It is further ordered, That in the event of a grant of the application of Radio America (BPH-2858), the construction permit shall contain a condition that prior to authorization of program tests, sufficient data shall be submitted to the Commission to show that the proposed operation will cause no objectionable interaction resulting in a degradation of the service either of the proposed station or WOLM; and

It is further ordered, That in the event of a grant of the application of Radio America (BPH-2858), the construction permit shall contain a condition that prior to authorization of program tests there be submitted sufficient data in accordance with § 3.250 of the Commission's rules for type acceptance of the transmitter; and

It is further ordered, That in the event of a grant of the application of Radio America (BPH-2858), the construction permit shall contain a condition that the permittee shall accept interference within the 1 mv/m contour from the proposal in BPH-2805; and

It is further ordered, That to avail themselves of the opportunity to be heard, the three additional applicants, pursuant to § 1.140 of the Commission's rules in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order; and

It is further ordered, That, the issues in the above-captioned proceeding may be enlarged by the Examiner, on his own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of fact in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

Released: August 5, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7445; Filed, Aug. 9, 1960;
8:51 a.m.]

[Docket No. 13744; FCC 60-949]

MOUNTAIN EMPIRE RADIO CO.**Order Designating Application for Hearing on Stated Issues**

In re application of James B. Childress and James E. Reed d/b as Mountain Empire Radio Company, Clinton, Tennessee, requests: 1460 kc, 500 w, Day, Docket No. 13744, File No. BP-12925; for a construction permit.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the above-captioned and described application;

It appearing that the instant applicant is legally, technically, financially, and otherwise qualified, except as may appear from the issues specified below, to construct and operate its proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated March 21, 1960, and incorporated herein by reference, notified the instant applicant, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of the instant application would serve the public interest, convenience, and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the instant applicant filed a timely reply to the aforementioned letter, which reply has not, however, entirely eliminated the grounds and reasons precluding a grant of the application and requiring an evidentiary hearing on the particular issues as hereinafter specified; and

It further appearing that the application of LaFollette Broadcasting Company, Inc., File No. BP-12787, was dismissed June 9, 1960, and that the interference issue is therefore moot and that the instant proposal was therefore removed from the group of applications as indicated by 309(b) letter dated March 21, 1960.

It further appearing that after consideration of the foregoing and the applicant's reply, the Commission is still unable to make the statutory finding that a grant of the application would serve the public interest, convenience, and necessity; and is of the opinion that the application must be designated for hearing on the issues specified below:

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant application is designated for hearing, at a time and place to be specified in a subsequent order, upon the following issues:

(1) To determine whether the instant proposal would involve objectionable interference with Stations WEAG, Alcoa, Tennessee, and WLAF, LaFollette, Tennessee, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the avail-

ability of other primary service to such areas and populations.

(2) To determine whether interference received from Stations WEAG and WLAF would affect more than ten percent of the population within the normally protected primary service area of the proposal of the instant applicant in contravention of § 3.28(c)(3) of the Commission rules, and if so, whether circumstances exist which would warrant a waiver of said section.

(3) To determine whether the instant application should be granted.

It is further ordered, That Blount County Broadcasting Co., licensee of Station WEAG, Alcoa, Tennessee, and LaFollette Broadcasting Company, Inc., licensee of Station WLAF, LaFollette, Tennessee, are made parties to the proceeding.

It is further ordered, That in the event of a grant of the instant proposal, permittee shall take whatever steps may be necessary to eliminate reradiation due to the proximity of the proposed site of Clinton Broadcasters, Inc. (BP-12877, requesting 1380 kc, 1 kw, Day), Clinton, Tennessee.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicant and parties respondent herein, pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That, the issues in the above-captioned proceeding may be enlarged by the Examiner, on his own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of fact in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

Released: August 5, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,[SEAL] BEN F. WAPLE,
Acting Secretary.[F.R. Doc. 60-7446; Filed, Aug. 9, 1960;
8:51 a.m.]

[Docket Nos. 13745, 13746; FCC 60-952]

**RADIO STATION WHCC (WHCC)
AND ALUMINUM CITIES BROADCASTING CO. (WGAP)****Order Designating Applications for Consolidated Hearing on Stated Issues**

In re applications of Kenneth D. Fry and Margaret F. Fry, d/b as Radio Station WHCC (WHCC), Waynesville, North Carolina, has: 1400 kc, 250 w, U, requests: 1400 kc, 250 w, 1 kw-LS, U; Docket No. 13745, File No. BP-12615; Harry C. Weaver and Frank H. Corbett, a limited partnership, d/b as Aluminum

Cities Broadcasting Company (WGAP), Maryville, Tennessee, has: 1400 kc, 250 w, U, requests: 1400 kc, 250 w, 1 kw-LS, U, Docket No. 13746, File No. BP-12642; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the above-captioned and described applications;

It appearing that except as indicated by the issues specified below, the instant applicants are legally, technically, financially, and otherwise qualified to construct and operate their instant proposals; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated March 9, 1960, and incorporated herein by reference, notified the applicants and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of either of the applications would serve the public interest, convenience and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the applicants filed timely replies to the aforementioned letter, which replies have not, however, entirely eliminated the grounds and reasons precluding a grant of the applications and requiring an evidentiary hearing on the particular issues hereinafter specified; and

It further appearing that by 309(b) letter dated March 9, 1960, Radio Stations WGAP (BP-12642), WHCC (BP-12615), and WHUB (BP-12427), all of whom desire to increase power from 250 watts to 1 kilowatt, were notified of interlinking problems with other applicants described in said letter; and that by letters dated March 24 and 29, 1960, mutual agreement was made to accept the interference. However, in view of the extent of the interference between BP-12642 and BP-12615, together with other interference problems, the Commission is of the opinion that Radio Station WHCC and Aluminum Cities Broadcasting Company should be designated for hearing in a consolidated proceeding on the issues hereinafter specified; and

It further appearing that after consideration of the foregoing and the applicants' replies, the Commission is still unable to make the statutory finding that a grant of the instant applications would serve the public interest, convenience, and necessity; and is of the opinion that the applications must be designated for hearing on the issues specified below:

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant applications are designated for hearing in a consolidated proceeding, at a time and place to be specified in a subsequent Order, upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operations of Stations WGAP and WHCC

and the availability of other primary service to such areas and populations.

2. To determine whether the instant proposal of Station WHCC would involve objectionable interference with Stations WKPT, Kingsport, Tennessee; WTBE, Spartanburg, South Carolina; and WLOS, Asheville, North Carolina, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

3. To determine whether the instant proposal of Station WGAP would involve objectionable interference with Station WLSB, Copperhill, Tennessee, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

4. To determine whether interference received from other proposed operations and existing stations would affect more than ten percent of the population within the normally protected primary service area of the instant proposals, in contravention of § 3.28(c) (3) of the Commission rules, and, if so, whether circumstances exist which would warrant a waiver of said section.

5. To determine, in the light of the evidence adduced pursuant to the foregoing issues which, if either, of the instant applications should be granted.

It is further ordered, That Kingsport Broadcasting Company, Incorporated, Spartanburg Broadcasting Company, and Skyway Broadcasting Company, and Copper Basin Broadcasting Company, licensees of Stations WKPT, WTBE, WLOS, and WLSB, respectively, are made parties to the proceeding.

It is further ordered, That, to avail themselves of the opportunity to be heard, the instant applicants and parties respondent herein pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That, the issues in the above-captioned proceeding may be enlarged by the Examiner, on his own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of fact in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

Released: August 5, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7447; Filed, Aug. 9, 1960;
8:51 a.m.]

[Docket No. 9186 etc.; FCC 60-946]

JANE RASCOE ET AL.

**Order Designating Applications for
Consolidated Hearing on Stated
Issues**

In re applications of Mrs. Jane Rascoe, Corpus Christi, Texas, requests: 1560 kc, 250 w, D, Docket No. 9186, File No. BP-6784; Uvalde Broadcasters, Inc., Port Lavaca, Texas, requests: 1560 kc, 500 w, D, Docket No. 13738, File No. BP-9365; Lewis O. Seibert, Port Lavaca, Texas, requests: 1560 kc, 500 w, D, Docket No. 13739, File No. BP-13832; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the above-captioned and described applications;

It appearing that except as indicated by the issues specified below, Uvalde Broadcasters, Inc., and Lewis O. Seibert are legally, technically, financially, and otherwise qualified to construct and operate their instant proposals; but that Mrs. Jane Rascoe may not be legally, technically, financially and otherwise qualified to construct and operate her instant proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated May 25, 1960, and incorporated herein by reference, notified the instant applicants, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of any one of the applications would serve the public interest, convenience, and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the instant applicants filed timely replies to the aforementioned letter, which replies have not, however, entirely eliminated the grounds and reasons precluding a grant of the said applications and requiring an evidentiary hearing on the particular issues hereinafter specified; and

It further appearing that by letter dated June 5, 1960, Mrs. Jane Rascoe requested an additional 90 days in order to answer the Commission's letter of May 25, 1960; however, the Commission is of the opinion that the application of Mrs. Jane Rascoe should be designated for hearing without any further delay; and

It further appearing that after consideration of the foregoing, and the applicants' replies, the Commission is still unable to make the statutory finding that a grant of the applications would serve the public interest, convenience, and necessity; and is of the opinion that the applications must be designated for hearing in a consolidated proceeding on the issues specified below;

It is ordered, That, pursuant to section 309(b) of the Communications Act of

1934, as amended, the instant applications are designated for heading in a consolidated proceeding, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which would receive primary service from each of the instant applicants and the availability of other primary service to such areas and populations.

2. To determine the nature and extent of the interference, if any, that each of the instant proposals would cause to and receive from each other and all other existing standard broadcast stations, the areas and populations affected thereby, and the availability of other primary service to the areas and populations affected by interference from any of the instant proposals.

3. To determine whether the interference received by each instant proposal from any of the other proposals herein and any existing stations would affect more than ten percent of the population within its normally protected primary service area in contravention of § 3.28(c) (3) of the Commission rules and, if so, whether circumstances exist which would warrant a waiver of said Section.

4. To determine whether Mrs. Jane Rascoe is legally, financially, technically, and otherwise qualified to construct and operate the proposed station and whether such proposal is in compliance with the provisions of the Commission rules.

5. To determine whether the transmitter site proposed by Mrs. Jane Rascoe is satisfactory with particular regard to any conditions that may exist in the vicinity of the antenna system which would distort the proposed antenna radiation pattern.

6. To determine whether the 25 mv/m contour of the instant proposal of Mrs. Jane Rascoe and the 25 mv/m contour of Station KTOD, Sinton, Texas would overlap in contravention of § 3.37 of the Commission rules, and, if so, whether circumstances exist which would warrant a waiver of said section.

7. To determine, in the light of section 307(b) of the Communications Act of 1934, as amended, whether the proposal for Corpus Christi, Texas or one of the proposals for Port Lavaca, Texas would better provide a fair, efficient and equitable distribution of radio service.

8. To determine, in the event it is concluded pursuant to the foregoing issue that one of the proposals for Port Lavaca, Texas should be favored, which of the proposals of Uvalde Broadcasters, Inc., or Lewis O. Seibert would better serve the public interest, convenience and necessity in the light of the evidence adduced under the issues herein and the record made with respect to the significant differences between the said applicants as to:

(a) The background and experience of each having a bearing on the applicant's ability to own and operate the proposed standard broadcast station.

(b) The proposal of each with respect to the management and operation of the proposed station.

(c) The programming service proposed in each of the said applications.

9. To determine, in the light of the evidence adduced pursuant to the foregoing issues, which, if any, of the instant applications should be granted.

It is further ordered, That the request by Mrs. Jane Rascoe for an extension of time to answer the Commission's letter of May 25, 1960, is hereby denied.

It is further ordered, That, to avail themselves of the opportunities to be heard, each of the instant applicants, pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That, the issues in the above-captioned proceeding may be enlarged by the Examiner, on his own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of fact in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

Released: August 5, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7448; Filed, Aug. 9, 1960;
8:51 a.m.]

[Docket No. 13743; FCC 60-948]

S & S BROADCASTING CO. (WTAQ)

Order Designating Application for Hearing on Stated Issues

In re application of S & S Broadcasting Co. (WTAQ), La Grange, Illinois, has: 1300 kc, 500 w, DA-N, U, Req: 1300 kw, 500 w, 1 kw-LS, DA-2, U, Docket No. 13743, File No. BP-12781.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the above-captioned and described application;

It appearing that except as indicated by the issues specified below, the instant applicant is legally, technically, financially, and otherwise qualified to construct and operate its instant proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated June 17, 1960, and incorporated herein by reference, notified the instant applicant, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of

the application would serve the public interest, convenience, and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the instant applicant filed a timely reply to the aforementioned letter, which reply has not, however, entirely eliminated the grounds and reasons precluding a grant of said application and requiring an evidentiary hearing on the particular issues hereinafter specified; and

It further appearing that after consideration of the foregoing, and the applicants' reply, the Commission is still unable to make the statutory finding that a grant of the application would serve the public interest, convenience, and necessity; and is of the opinion that the application must be designated for hearing on the issues specified below;

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant application is designated for hearing, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operation of Station WTAQ and the availability of other primary service to such areas and populations.

2. To determine the nature and extent of the interference, if any, that the instant proposal would cause to and receive from all other existing standard broadcast stations, the areas and populations affected thereby, and the availability of other primary service to the areas and populations affected by interference from the instant proposal.

3. To determine whether the instant proposal of Station WTAQ would involve objectionable interference with Stations WKAN, Kankakee, Illinois, WMIL, Milwaukee, Wisconsin, and WMFT, Terre Haute, Indiana, or any other existing standard broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

4. To determine, in the light of the evidence adduced pursuant to the foregoing issues, whether a grant of the instant application would serve the public interest, convenience, and necessity.

It is further ordered, That Cream City Broadcasting Co., Inc., licensee of Station WMIL, WKAN Radio, Inc., licensee of Station WKAN, and Citizens Broadcasting Company, Inc., licensee of Station WMFT, respectively, are made parties to the proceeding.

It is further ordered, That, to avail himself of the opportunity to be heard, the applicant, pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That, the issues in the above-captioned proceeding may be enlarged by the Examiner, on his

own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of fact in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

Released: August 5, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7449; Filed, Aug. 9, 1960;
8:51 a.m.]

[Docket No. 12783; FCC 60M-1352]

STUDY OF RADIO AND TELEVISION NETWORK BROADCASTING

Order Continuing Hearing

It is ordered, This 5th day of August 1960, that hearings in the above-entitled proceeding, which, by order released July 18, 1960, were scheduled for October 5, 1960, are hereby continued to October 10, 1960, and will be held in the courtroom of the United States Court of Appeals for the Ninth Circuit, 312 North Spring Street, Los Angeles, California, commencing at 10:00 a.m.

Released: August 5, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7450; Filed, Aug. 9, 1960;
8:51 a.m.]

[Docket Nos. 13740-13742; FCC 60-947]

WBIZ, INC. ET AL.

Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of WBIZ, Incorporated (WBIZ), Eau Claire, Wisconsin, has: 1400 kc, 250 w, U, requests: 1400 kc, 250 w, 1 kw-LS, U, Docket No. 13740, File No. BP-12458; Northwest Broadcasting Company (KVFJ), Fort Dodge, Iowa, has: 1400 kc, 250 w, U, requests: 1400 kc, 250 w, 1 kw-LS, U, Docket No. 13741, File No. BP-12679; Franklin Broadcasting Company (WMIN), St. Paul, Minnesota, has: 1400 kc, 250 w, U, requests: 1400 kc, 250 w, 1 kw-LS, U, Docket No. 13742, File No. BP-13270; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the above-captioned and described applications;

It appearing that except as indicated by the issues specified below, each of the applicants herein is legally, technically, financially, and otherwise qualified to construct and operate its instant proposal, except that Franklin Broadcasting Company (BP-13270) may not be financially qualified; and

It further appearing that the balance sheet of Franklin Broadcasting Company as of March 23, 1959, shows total liabilities exceed current assets by \$81,264; that the annual financial report for the year 1958 showed an operating loss for Station WMIN of \$19,569, but that Franklin failed to submit financing plans to cover the proposed construction, liquidating the liabilities and financing the continued operation of WMIN; and

It further appearing that by letter dated March 16, 1960, Station WBIZ agreed to accept any interference which may be caused to it from the proposal of Franklin Broadcasting Company (BP-13270); but Franklin Broadcasting Company has not agreed to accept interference from the WBIZ proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated April 14, 1960, and incorporated herein by reference, notified the instant applicants, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of any one of the applicants would serve the public interest, convenience, and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the instant applicants filed timely replies to the aforementioned letter, which replies have not, however, entirely eliminated the grounds and reasons precluding a grant of the said applications and requiring an evidentiary hearing on the particular issues hereinafter specified; and

It further appearing that by letter dated May 4, 1960, WRIG, Inc., licensee of Station WRIG, Wausau, Wisconsin, informed the Commission that it would not appear at a hearing concerning the application of WBIZ, Incorporated (BP-12458); and

It further appearing that after consideration of the foregoing and the applicants' replies, the Commission is still unable to make the statutory finding that a grant of the applications would serve the public interest, convenience, and necessity; and is of the opinion that the applications must be designated for hearing in a consolidated proceeding on the issues specified below:

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant applications are designated for hearing in a consolidated proceeding, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from each of the instant applicants, and the availability of other primary service to such areas and populations.

2. To determine the nature and extent of the interference, if any, that each of the instant proposals would cause to and receive from each other and all other existing standard broadcast stations, the areas and populations affected thereby, and the availability of other primary service to the areas and populations af-

fected by interference from any of the instant proposals.

3. To determine whether the following proposals would involve objectionable interference with the existing stations listed below, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

Proposals and Existing Stations

BP-12458 WMIN, St. Paul, Minn.
 BP-12679 WMIN, St. Paul, Minn.
 KCBC, Des Moines, Iowa.
 KCIM, Carroll, Iowa.
 KCOG, Centerville, Iowa.
 KLIN, Lincoln, Nebr.
 KMHL, Marshall, Minn.
 BP-13270 WBIZ, Eau Claire, Wis.
 KEYL, Long Prairie, Minn.
 KMHL, Marshall, Iowa.
 KRFO, Owatonna, Minn.
 KVFD, Ft. Dodge, Iowa.

4. To determine whether the interference received by each instant proposal from any of the other proposals herein and any existing stations would affect more than ten percent of the population within its normally protected primary service area in contravention of § 3.28 (c) (3) of the Commission rules, and, if so, whether circumstances exist which would warrant a waiver of said section.

5. To determine whether Franklin Broadcasting Company is financially qualified to meet the construction and operating costs of Station WMIN.

6. To determine, in the light of section 307(b) of the Communications Act of 1934, as amended, which of the instant proposals would best provide a fair, efficient and equitable distribution of radio service.

7. To determine, in the light of the evidence adduced pursuant to the foregoing issues which, if any, of the instant applications should be granted.

It is further ordered, That, Hope Company, Incorporated, Henry Willard Linder, Vincent Collison et al, d/b as Carroll Broadcasting Company, Owatonna Broadcasting Company, KWAD Broadcasting Company, and Fletcher-Mitchell Corporation, licensees of Stations KCOG, KMHL, KCIM, KRFO, KEYL and KCBC and KLIN, respectively, are made parties to the proceeding.

It is further ordered, That, WBIZ, Incorporated, Northwest Broadcasting Company and Franklin Broadcasting Company, licensees of Stations WBIZ, KVFD and WMIN, respectively, are made parties to the proceeding with respect to their existing operations.

It is further ordered, That, in the event of a grant of the application of Northwest Broadcasting Company, the construction permit shall contain a condition that program tests will not be authorized until the permittee has submitted sufficient measurement data to establish that the radiation has been reduced to essentially 220 mv/m/kw as proposed and that no reradiation effects from the subject applicant's present antenna system will result.

It is further ordered, That, to avail themselves of the opportunity to be heard, applicants and parties respondent, pursuant to § 1.140 of the Commis-

sion rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That, the issues in the above-captioned proceeding may be enlarged by the Examiner, on his own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of fact in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

Released: August 5, 1960.

FEDERAL COMMUNICATIONS
 COMMISSION,
 BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7451; Filed, Aug. 9, 1960; 8:51 a.m.]

FEDERAL POWER COMMISSION

[Docket No. CP60-71]

COASTAL TRANSMISSION CORP.

Notice of Application and Date of Hearing

AUGUST 3, 1960.

Take notice that on March 28, 1960, as supplemented on April 14, 1960, Coastal Transmission Corporation (Applicant) filed in Docket No. CP60-71 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of field facilities to enable Applicant to take into its certificated main pipeline system natural gas which will be purchased from producers thereof in the general area of Applicant's existing transmission system from time to time during the 12-month period from July 1, 1960 to July 1, 1961, at a total cost of not to exceed \$1,500,000, with no single project to exceed a cost of \$300,000, all as more fully set forth in the application and supplement which are on file with the Commission and open to public inspection.

The purpose of this "budget-type" application is to augment Applicant's ability to act with reasonable dispatch in contracting for and connecting to its pipeline system new supplies of gas in various producing areas generally co-extensive with its system.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on August 30, 1960, at 9:30 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washing-

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

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 23, 1960. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

MICHAEL J. FARRELL,
Acting Secretary.

[F.R. Doc. 60-7400; Filed, Aug. 9, 1960;
8:45 a.m.]

[Docket No. E-6954]

PACIFIC POWER & LIGHT CO.

Notice of Application

AUGUST 4, 1960.

Take notice that on July 27, 1960, an application was filed with the Federal Power Commission pursuant to section 204 of the Federal Power Act by Pacific Power & Light Company ("Applicant"), a corporation organized under the laws of the State of Maine and doing business in the States of Oregon, Washington, Wyoming, Montana, and Idaho, with its principal business office at Portland, Oregon, seeking an order authorizing the issuance of \$20,000,000 in principal amount of First Mortgage Bonds. The aforesaid First Mortgage Bonds are to be issued and sold by Applicant under and pursuant to Applicant's presently existing Mortgage and Deed of Trust dated as of July 1, 1947 to Guaranty Trust Company of New York (now Morgan Guaranty Trust Company of New York) and Oliver R. Brooks, (Wesley L. Baker, successor) as Trustees, as heretofore supplemented by ten supplemental indentures and as it is proposed to be further supplemented by an Eleventh Supplemental Indenture to be dated as of September 1, 1960. The First Mortgage Bonds are to be dated September 1, 1960, and will bear interest at the rate per annum to be fixed by competitive bidding and will mature on September 1, 1990. Applicant proposes to sell the aforesaid bonds at competitive bidding. Applicant states that said First Mortgage Bonds are to be issued and sold for the purpose of carrying forward its 1960 construction program and for the purpose of repaying all notes to be outstanding at the time of sale of the aforesaid bonds under a Credit Agreement dated as of September 17, 1959 between Applicant and certain banks.

Any person desiring to be heard or to make any protests with reference to

said application should on or before the 26th day of August 1960, file with the Federal Power Commission, Washington 25, D.C., petitions or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). The application is on file and available for public inspection.

MICHAEL J. FARRELL,
Acting Secretary.

[F.R. Doc. 60-7401; Filed, Aug. 9, 1960;
8:45 a.m.]

[Docket No. RI61-16]

TEXACO, INC.

Order Providing for Hearing and Suspending Proposed Change in Rate

AUGUST 1, 1960.

On July 6, 1960, Texaco, Inc. (Texaco), retendered for filing its previously rejected periodic rate increase proposal of 3.116 cents per Mcf, from 15.384 cents to 18.5 cents per Mcf at 15.025 psia, for its jurisdictional sales of natural gas to El Paso Natural Gas Company from leases in the LaBarge Field, Lincoln and Sublette Counties, Wyoming. Such retender is designated Supplement No. 2 to Texaco, Inc.'s FPC Gas Rate Schedule No. 211, and the effective date thereof is August 6, 1960, which is the first day after expiration of the required thirty days' notice.

Texaco was issued a temporary authorization for the subject sale in the related certificate Docket No. CI60-32 by letter order of the Commission dated April 7, 1960. Such authorization was subject to the condition, among others, that the initial price under its FPC Gas Rate Schedule No. 211 shall not exceed 15 cents per Mcf at 14.65 psia (15.384 cents per Mcf at 15.025 psia), rather than its contractual initial price of 16.0 cents per Mcf at 15.025 psia, plus applicable tax reimbursement.

Texaco accepted such condition by letter dated April 25, 1960, and filed a contract amendment dated April 21, 1960, to reflect an initial price of 15.384 cents per Mcf at 15.025 psia to conform with the temporarily authorized rate. However, as Texaco did not indicate whether it would accept such condition in a permanent certificate, it was so requested on June 13, 1960 by letter from the Secretary. Meanwhile, on May 31, 1960, and prior to its requested reply, Texaco tendered for filing the subject increased rate proposal which was rejected by letter order of the Commission dated June 29, 1960. In the rejection letter, Texaco was advised that " * * * such conditioned rate under the temporary authorization shall not be changed until a proper rate for the service is determined in the certificate application hearing, or the price condition in the temporary authorization is modified". By letter dated June 28, 1960, Texaco stated its willingness to accept, pursuant to a shortened procedure, a permanent certificate of public convenience and necessity for the subject sale at an initial rate of 15 cents per Mcf at 14.65 psia (15.384 cents per Mcf at 15.025 psia). Subsequently, on July 6, 1960, the

rate increase proposal rejected by letter of June 29, 1960, was retendered for filing.

It should be noted that by permitting such increased rate proposal to be filed, it is not to be construed as a precedent for allowing the filing of rate changes which change rates conditioned under temporary authorization.

In support of the proposed increased rate, Texaco cites the contract provisions and states that such provisions were arrived at by arm's-length bargaining, that the costs of exploration, development, operation and maintenance are continually increasing, and that the increase is needed to encourage exploration and development.

The proposed change may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the several proposed changes and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure and the regulations under the Natural Gas Act (18 CFR, Ch. I), public hearing shall be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in said Supplement No. 2.

(B) Pending hearing and decision thereon, Supplement No. 2 to Texaco Inc.'s FPC Gas Rate Schedule No. 211 is hereby suspended and the use thereof deferred until January 6, 1961, and thereafter until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the rate schedule nor the supplement thereto involved in the above-proposed change shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before September 20, 1960.

By the Commission.

MICHAEL J. FARRELL,
Acting Secretary.

[F.R. Doc. 60-7402; Filed, Aug. 9, 1960;
8:45 a.m.]

[Docket No. CP60-98]

TRANSCONTINENTAL GAS PIPE LINE CORP.

Notice of Application and Date of Hearing

AUGUST 3, 1960.

Take notice that on May 10, 1960, as supplemented on June 3, 1960, Trans-

continental Gas Pipe Line Corporation (Transco) filed in Docket No. CP60-98 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of approximately 9.75 miles of 6 $\frac{3}{8}$ -inch O.D. pipeline extending from a point on Transco's main transmission pipeline near Magnolia, Mississippi, to the McComb Field, all in Pike County, for the purpose of receiving natural gas from Sun Oil Company (Sun) now being flared from oil wells in the McComb Field, where Sun proposes to construct and operate a meter station, all as more fully set forth in the application and supplement which are on file with the Commission and open to public inspection.

Applicant proposes to receive and transport the subject gas for Sun, along with other gas which it transports for Sun, pursuant to authorization granted in Docket No. G-16603 which authorization permits the transportation of up to 29,000 Mcf of gas per day. The McComb Field gas would be a part of this 29,000 Mcf and would be transported under Transco's Rate Schedule X-11.

The estimated total cost of the proposed facilities is \$310,500, of which \$153,335 for cost of right-of-way, pipe and survey will be furnished by Sun pursuant to an agreement dated March 14, 1960, executed between Transco and Sun. The remaining \$157,165 of the estimated cost will be financed by Transco, to be reimbursed by Sun upon completion of the construction. Title to the proposed lateral will rest in Transco as long as it transports gas solely for Sun, but if Transco later uses the facility to transport its own gas purchased in the McComb Field, Transco will reimburse Sun for the entire cost less 5 percent per annum for depreciation.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on August 30, 1960, at 9:30 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 23, 1960. Failure of any party to appear at and participate in the hearing shall

be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

MICHAEL J. FARRELL,
Acting Secretary.

[F.R. Doc. 60-7403; Filed, Aug. 9, 1960; 8:45 a.m.]

[Project No. 2125]

**LIGHTS CREEK POWER PROJECT,
NATIONAL YOUTH FOUNDATION**

**Notice of Modification of Land
Withdrawal; California**

AUGUST 4, 1960.

Conformable to the provisions of section 24 of the Act of June 10, 1920 (41 Stat. 1063), as amended, this Commission on November 26, 1952, gave notice to the Bureau of Land Management of the reservation of approximately 1766.72 acres of United States lands pursuant to the filing of an application for preliminary permit on January 21, 1953, by Robert Pierce Wilson of Taylorsville, California, for Project No. 2125.

On May 31, 1960, Robert Pierce Wilson, President, National Youth Foundation, Taylorsville, California, filed an application for license on behalf of said organization, for Project No. 2125, supported by revised map exhibits delimiting additional lands of the United States proposed to be occupied by the Lights Creek Power Project located on Lights Creek and Moonlight Creek, tributaries of Indian Creek, in Plumas County, California.

Therefore, in accordance with provisions of section 24 of the Act of June 10, 1920, as amended, notice is hereby given that the hereinafter described lands, insofar as title thereto remains in the United States, are included in the aforesaid power project and are, from the date of filing of completed application for license on May 31, 1960, reserved from all forms of disposal under the laws of the United States until otherwise directed by the Commission or by Congress. This notice supersedes in its entirety the notice dated May 12, 1953, in connection with Project No. 2125.

MOUNT DIABLO MERIDIAN—CALIFORNIA

All portions of the following described subdivisions lying within the project boundaries as delimited on map Exhibit "K" (FPC No. 2125-7), entitled "National Youth Foundation, Lights Creek Power Project, General Plan" filed in the Federal Power Commission, May 31, 1960.

- T. 27 N., R. 10 E.,
Sec. 1: E $\frac{1}{2}$ lot 1, W $\frac{1}{2}$ lot 2, lots 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$;
- Sec. 2: Lots 1, 3, SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
- Sec. 12: SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
- Sec. 13: E $\frac{1}{2}$ E $\frac{1}{2}$.
- T. 28 N., R. 10 E.,
Sec. 25: SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$.
- T. 27 N., R. 11 E.,
Sec. 4: Lot 4, W $\frac{1}{2}$ lot 5;
Sec. 5: Lots 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20;

- Sec. 6: Lots 6, 7, 12, 13, 14;
- Sec. 7: S $\frac{1}{2}$ lot 6, E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$;
- Sec. 8: NW $\frac{1}{4}$ lot 3, lots 4, 5, W $\frac{1}{2}$ lot 12;
- Sec. 18: Lots 1, 2, 3, 4, NW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$;
- Sec. 19: Lot 1, E $\frac{1}{2}$ W $\frac{1}{2}$;
- Sec. 30: Lots 1, 4.
- T. 28 N., R. 11 E.,
Sec. 19: W $\frac{1}{2}$ SE $\frac{1}{4}$;
- Sec. 30: Lot 2, S $\frac{1}{2}$ lot 6, lot 7, NW $\frac{1}{4}$ NE $\frac{1}{4}$;
- Sec. 32: SE $\frac{1}{4}$ SE $\frac{1}{4}$;
- Sec. 33: W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$.

The area of United States lands reserved pursuant to the filing of this application is approximately 3,652.48 acres, all within the Plumas National Forest. Approximately 1,768.22 acres of these lands have been previously reserved for power purposes in connection with Projects No. 444 and 2125.

Copies of map exhibit "K" (FPC No. 2125-7) have been transmitted to the Bureau of Land Management, Geological Survey, and Forest Service.

MICHAEL J. FARRELL,
Acting Secretary.

[F.R. Doc. 60-7404; Filed, Aug. 9, 1960; 8:45 a.m.]

GENERAL SERVICES ADMINISTRATION

[Delegation of Authority 386]

SECRETARY OF DEFENSE

Authority To Represent Interests of Federal Government Regarding Application of Southwestern States Telephone Company for Increased Rates and Charges

1. Pursuant to the provisions of sections 201(a)(4) and 205 (d) and (e) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, authority to represent the interest of the executive agencies of the Federal Government in the matter of Application of the Southwestern States Telephone Company For Increased Rates and Charges, before the Arkansas Public Service Commission, is hereby delegated to the Secretary of Defense.

2. The Secretary of Defense is hereby authorized to redelegate any of the authority contained herein to any officer, official or employee of the Department of Defense.

3. The authority conferred herein shall be exercised in accordance with the policies, procedures and controls prescribed by the General Services Administration, and shall further be exercised in cooperation with the responsible officers, officials and employees of General Services Administration.

4. This delegation of authority shall be effective July 12, 1960.

FRANKLIN FLOETE,
Administrator.

AUGUST 3, 1960.

[F.R. Doc. 60-7405; Filed, Aug. 9, 1960; 8:45 a.m.]

QUININE HELD IN NATIONAL STOCKPILE

Proposed Disposition

Pursuant to the provisions of section 3(e) of the Strategic and Critical Materials Stock Piling Act, 50 U.S.C. 98b(e), notice is hereby given of a proposed disposition of approximately 13,860,000 ounces of quinine now held in the national stockpile.

The Office of Defense Mobilization (a predecessor of the Office of Civil and Defense Mobilization) made a revised determination, pursuant to section 2(a) of the Strategic and Critical Materials Stock Piling Act, that there is no longer any need for stockpiling quinine. The revised determination was based upon the finding of the Office of Defense Mobilization that quinine is obsolescent for use in time of war.

Beginning six months after the date of publication of this notice in the FEDERAL REGISTER, General Services Administration proposes to transfer said quinine to other Government agencies or to sell said quinine by formal advertising.

Of the total quantity of quinine available for disposal, approximately 2,759,490 ounces are in pharmaceutical form and 1,576,510 ounces are in the form of hydrochloride powder. These quantities of quinine will be sold or transferred separately, and the purchaser of each item will be required to take delivery within a specified period, but in no event more than two years after date of entering into the contract of sale.

The remaining quantity of quinine, comprising approximately 9,524,000 ounces in the form of lphate powder, will be offered for transfer or sale as a separate item beginning four to six months following the offering for transfer or sale of the quinine in pharmaceutical and hydrochloride powder forms. It is proposed that the delivery of the quinine in sulphate powder form will be spread over a period of years, with the purchaser being required to take delivery of approximately 1,900,000 ounces during the first twelve months after the date of entering into the contract of sale and approximately the same quantity during each subsequent twelve months, with the limitation that no more than approximately 1,900,000 ounces may be withdrawn by the purchaser during any consecutive twelve months.

This plan and the dates of disposition have been fixed with due regard to the protection of producers, processors, and consumers against avoidable disruption of their usual markets as well as the protection of the United States against avoidable loss on disposal.

This notice rescinds and supersedes the notice of proposed disposition of quinine dated March 25, 1959, and published in the FEDERAL REGISTER April 1, 1959 (24 F.R. 2540).

Dated: August 2, 1960.

FRANKLIN FLOETE,
Administrator.

[F.R. Doc. 60-7406; Filed, Aug. 9, 1960; 8:46 a.m.]

HOUSING AND HOME FINANCE AGENCY

Public Housing Administration

DELEGATIONS OF FINAL AUTHORITY

Miscellaneous Amendments

Correction

In F.R. Document 60-6832 appearing in the issue for Friday, July 22, 1960, at page 7004, the next to the last paragraph should read as follows:

Assistant Commissioner for Management and Harold B. Fliege.

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

AUGUST 5, 1960.

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

LONG-AND-SHORT HAUL

FSA No. 36463: *Liquid caustic soda—Memphis, Tenn., to Johnsville and Natchez, Miss.* Filed by O. W. South, Jr., Agent (SFA No. A4002), for interested rail carriers. Rates on liquid caustic soda, in tank-car loads, from Memphis, Tenn., to Johnsville and Natchez, Miss.

Grounds for relief: Market competition.

Tariff: Supplement 8 to Southern Freight Association tariff I.C.C. S-116.

FSA No. 36464: *Vegetable meal from, to and between points in Southwestern, WTL, IFA and SFA territories.* Filed by Southwestern Freight Bureau, Agent (No. B-7856), for interested rail carriers. Rates on vegetable meal and related articles, in carloads, minimum 40,000 pounds, between points in the southwest; between points in the southwest, on the one hand, and points in WTL and Mississippi Valley territory, on the other; between stations in WTL territory (including Illinois); between stations in WTL and IFA territories, on the one hand, and points in Mississippi Valley territory, on the other.

Grounds for relief: Truck competition, short-line distance formula and grouping.

Tariff: Supplement 145 to Southwestern Freight Bureau tariff I.C.C. 3972, and other tariffs named in the application.

FSA No. 36465: *Liquefied petroleum gas—Louisiana points to WTL and IFA territories.* Filed by Southwestern Freight Bureau, Agent (No. B-7857), for interested rail carriers. Rates on liquefied petroleum gas, in tank-car loads, from specified producing points in Louisiana, to specified points in western trunk-line and Illinois territories.

Grounds for relief: Market competition and grouping.

Tariffs: Supplements 286 and 152 to Southwestern Freight Bureau tariffs I.C.C. 4086 and 4279, respectively, and supplement 60 to Southern Freight Association tariff I.C.C. 446 (Marque series).

FSA No. 36466: *Asphalt from the Southwest to Colo., Wyo., and N. Mex., points.* Filed by Southwestern Freight Bureau, Agent (No. B-7861), for interested rail carriers. Rates on asphalt, in tank-car loads, as described in the application, from producing points in southwestern territory, also Kansas City, Sugar Creek, Mo., and Artesia, N. Mex., to points in Colorado, Wyoming and New Mexico.

Grounds for relief: Short-line distance formula and grouping.

Tariff: Supplement 149 to Southwestern Freight Bureau tariff I.C.C. 4066.

FSA No. 36467: *Cleaning compounds—Chicago, Ill., to Florida points.* Filed by Illinois Freight Association, Agent (No. 109), for interested rail carriers. Rates on cleaning, scouring or washing compounds, in carloads, as described in the application, from Chicago, Ill., to Jacksonville, Miami, South Jacksonville and Tampa, Fla.

Grounds for relief: Market competition.

Tariff: Supplement 130 to Illinois Freight Association tariff I.C.C. 855.

FSA No. 36468: *Scrap iron or steel—Peoria, Ill., to Calvert, Ky.* Filed by Illinois Freight Association, Agent (No. 110), for the Illinois Central Railroad Company. Rates on scrap iron or steel, in carloads, as described in the application, from Peoria, Ill., to Calvert, Ky.

Grounds for relief: Market competition.

Tariff: Supplement 130 to Illinois Freight Association tariff I.C.C. 855.

FSA No. 36469: *Asphalt—Montana points to Marshall, Minn.* Filed by the Great Northern Railway Company (No. 1068). Rates on asphalt, as described in the application, in tank-car loads, subject to an aggregate of not less than twenty tank-car loads, from Billings, East Billings, Laurel and Great Falls, Mont., to Marshall, Minn.

Grounds for relief: Market competition.

Tariff: Supplement 21 to Great Northern Railway Company's tariff I.C.C. A-8854.

By the Commission.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 60-7426; Filed, Aug. 9, 1960; 8:48 a.m.]

[Notice 133]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

AUGUST 5, 1960.

The following letter-notices of proposals to operate over deviation routes for operating convenience only with service at no intermediate points have been filed with the Interstate Commerce Commission, under the Commission's deviation rules revised, 1957 (49 CFR 211.1(c))

(8)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 211.1(d)(4)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 211.1(e)) at any time but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's deviation rules revised, 1957, will be numbered consecutively for convenience in identification and protests if any should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC-1187 (Deviation No. 2), CUSHMAN MOTOR DELIVERY, 1480 West Kinzie Street, Chicago 22, Ill., filed July 25, 1960. Carrier proposes to operate as a *common carrier*, by motor vehicle of *general commodities*, with certain exceptions, over a deviation route as follows: From Indianapolis, Ind., over U.S. Highway 421 to Greensburg, Ind., thence over Indiana Highway 46 to its junction with U.S. Highway 52, and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Chicago over U.S. Highway 41 to junction U.S. Highway 52 thence over U.S. Highway 52 to Cincinnati, Ohio, and return over the same route.

No. MC-7920 (Deviation No. 6), HERRIOTT TRUCKING COMPANY INC., Alice and Sumner Streets, East Palestine, Ohio, filed July 25, 1960. Carrier proposes to operate as a *common carrier*, by motor vehicle of *general commodities*, with certain exceptions, over a deviation route as follows: From the junction of Pennsylvania Highway 18 and Interstate Highway 90 over Interstate Highway 90 to the Pennsylvania-New York State Line, and return over the same route for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Rochester, Pa., over Pennsylvania Highway 18 via New Brighton, Pa., to Girard, Pa., thence over U.S. Highway 20 to junction New York Highway 130, and return over the same route.

No. MC-10761 (Deviation No. 4), TRANSAMERICAN FREIGHT LINES, INC., 1700 North Waterman Avenue, Detroit 9, Mich., filed July 18, 1960. Carrier proposes to operate as a *common carrier*, by motor vehicle of *general commodities*, with certain exceptions, over a deviation route as follows: From Buffalo, N.Y., over Interstate Highway 90 to Cleveland, Ohio, and return over the same route for operating convenience only, serving no intermediate points. The notice indicates that the

carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Cleveland over U.S. Highway 20 to Wickliffe, Ohio, thence over Ohio Highway 84 to Ashtabula, Ohio (also from Wickliffe over U.S. Highway 20 to Ashtabula), thence over U.S. Highway 20 to junction New York Highway 39, thence over New York Highway 39 to Dunkirk, N.Y., and thence over New York Highway 5 to Buffalo, and return over the same route.

No. MC-14252 (Deviation No. 4), COMMERCIAL MOTOR FREIGHT, INC., 525 Cleveland Avenue, Columbus 3, Ohio, filed July 20, 1960. Carrier proposes to operate as a *common carrier*, by motor vehicle of *general commodities*, with certain exceptions, over a deviation route as follows: From Medina, Ohio, over Ohio Highway 18 to junction Ohio Highway 1 or Interstate Highway 71, thence over Interstate Highway 71 to its junction with Ohio Highway 161, thence over Ohio Highway 161 to Worthington, Ohio, and return over the same route for convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over pertinent service route as follows: From Medina over U.S. Highways 42 and 23 to Worthington; and from Medina over Ohio Highways 3 and 161 to Worthington, and return over the same route.

No. MC-71096 (Deviation No. 2), NORWALK TRUCK LINES, INC., 36 Woodlawn Avenue, Norwalk, Ohio, filed July 21, 1960. Carrier proposes to operate as a *common carrier*, by motor vehicle of *general commodities*, with certain exceptions, over deviation routes as follows: (A) From Toledo, Ohio over Interstate Highways 280 and 75 to the Ohio-Michigan State Line, thence over Interstate Highway 75 to junction U.S. Highway 24-A (West Road), thence over U.S. Highway 24-A to junction U.S. Highway 24; and (B) from Toledo, over Interstate Highways 280 and 75 to the Ohio-Michigan State Line, thence over Interstate Highway 75 to junction U.S. Highway 25 (Dix Road) and return over the same routes, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Detroit, Mich. over U.S. Highway 25 to Toledo, and return over the same route.

No. MC-72444 (Deviation No. 10), THE AKRON-CHICAGO TRANSPORTATION COMPANY, INC., 1016 Triplett Boulevard, Akron 6, Ohio, filed July 19, 1960. Carrier proposes to operate as a *common carrier*, by motor vehicle of *general commodities*, with certain exceptions, over a deviation route as follows: From Columbus, Ohio over U.S. Highway 33 to junction Ohio Highway 117, thence over Ohio Highway 117 to Lima, Ohio and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows:

From Lima over U.S. Highway 30-S to junction U.S. Highway 23 thence over U.S. Highway 23 to Columbus, and return over same route.

No. MC-11710 (Deviation No. 1), VALLEY FREIGHT LINES, INC., R.F.D. No. 2, New Castle, Pa., filed July 18, 1960. Attorney Edwin C. Reminger, 75 Public Square, Suite 1360, Cleveland 13, Ohio. Carrier proposes to operate as a *common carrier*, by motor vehicle of *general commodities*, with certain exceptions, over a deviation route as follows: From Erie, Pa., over Interstate Highway 90 to Cleveland, Ohio and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Erie, over Pennsylvania Highway 99 to Cambridge Springs, Pa., thence over U.S. Highway 19 to Meadville, Pa., thence over U.S. Highway 322 to Cleveland, Ohio and return over the same route.

MOTOR CARRIERS OF PASSENGERS

No. MC-1501 (Deviation No. 52), THE GREYHOUND CORPORATION, 2600 Hamilton Avenue, Cleveland 14, Ohio, filed July 14, 1960. Carrier proposes to operate as a *common carrier*, by motor vehicle of *passengers* over deviation routes as follows: (A) From Dayton, Ohio, over Interstate Highway 75 to Cincinnati, Ohio; (B) from Lebanon, Ohio over Ohio Highway 63 to junction Interstate Highway 75, thence over Interstate Highway 75 to Cincinnati; and (C) from Lebanon over Highway 63 to junction Interstate Highway 75, thence over Interstate Highway 75 to Dayton, and return over the same routes, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport passengers over pertinent service routes as follows: From Louisville over Old U.S. Highway 42 via Prospect and Carrollton, Ky., to Cincinnati, Ohio, and thence over U.S. Highway 42 via Lebanon, Xenia and London, Ohio to Delaware, Ohio; and from Lebanon over Ohio Highway 48 via Centerville, Ohio to Dayton, and return over the same routes.

No. MC-1501 (Deviation No. 53) THE GREYHOUND CORPORATION, P.O. Box 2553, Charleston 29, W. Va., filed July 25, 1960. Carrier proposes to operate as a *common carrier*, by motor vehicle of *passengers* over a deviation route as follows: From the junction of U.S. Highway 17 and Jacksonville, Fla., Expressway Interchange near the Imeson Airport, approximately 1.9 miles north of Jacksonville, over the Jacksonville Expressway to the Forsyth Street Interchange in Jacksonville, a distance of 5.7 miles and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport passengers over a pertinent service route as follows: From Brunswick, Ga., over unnumbered highway to Sea Island, Ga., thence return over said unnumbered highway to Brun-

wick, thence over U.S. Highway 17 to Jacksonville, and return over the same route.

By the Commission.

[SEAL] HAROLD D. McCoy,
Secretary.

[F.R. Doc. 60-7427; Filed, Aug. 9, 1960;
8:48 a.m.]

[Notice 336]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

AUGUST 5, 1960.

The following publications are governed by the Interstate Commerce Commission's general rules of practice including special rules (49 CFR 1.241) governing notice of filing of applications by motor carriers of property or passengers or brokers under sections 206, 209 and 211 of the Interstate Commerce Act and certain other proceedings with respect thereto.

All hearings and pre-hearing conferences will be called at 9:30 o'clock a.m., United States standard time (or 9:30 o'clock a.m., local daylight saving time), unless otherwise specified.

APPLICATIONS ASSIGNED FOR ORAL HEARING OR PRE-HEARING CONFERENCE

MOTOR CARRIERS OF PROPERTY

No. MC 263 (Sub No. 121), filed July 25, 1960. Applicant: GARRETT FREIGHTLINES, INC., 2055 Pole Line Road, Pocatello, Idaho. Applicant's attorney: Maurice H. Greene, P.O. Box 1554, Boise, Idaho. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities*, except those of unusual value, household goods, as defined by the Commission, commodities in bulk and commodities requiring special equipment; serving the site of Air Force Plant No. 78, located approximately twenty-five miles northwest of Corinne, Utah, as an off-route point in connection with carrier's authorized regular-route operations over U.S. Highways 191 and 30S between Brigham City and Tremonton, Utah.

NOTE: The above commodity description includes the transportation of *dangerous explosives*.

HEARING: September 15, 1960, at the Utah Public Service Commission, Salt Lake City, Utah, before Joint Board No. 207.

No. MC 2110 (Sub No. 2), filed May 27, 1960. Applicant: JAMES C. WERLING, doing business as BOWLUS TRUCKING CO., 1000 Wolfe Avenue, Fremont, Ohio. Applicant's attorney: Richard H. Brandon, Hartman Building, Columbus 15, Ohio. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel castings*, from Fremont, Ohio, to points in St. Clair and Berrien Counties, Mich., and points in Erie, Mercer, Lawrence and Beaver Counties, Pa., and *scrap iron and steel, rejected castings, and pallets and other shipping containers*, on return.

HEARING: October 11, 1960, at the New Post Office Building, Columbus, Ohio, before Examiner Raymond V. Sar. No. MC 4761 (Sub No. 16) (AMENDMENT), filed March 18, 1960, published in the FEDERAL REGISTER, issue of July 13, 1960. Applicant: LOCK CITY TRANSPORTATION COMPANY, a Corporation, 327 Sixth Avenue, Menominee, Mich. Applicant's attorney: Edward Solie, 715 First National Bank Building, Madison 3, Wis. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Sulphur dioxide*, in bulk, in tank vehicles, from Marinette, Wis. to points in Alabama (except Decatur, Ala.), and points in Oklahoma.

HEARING: Remains as assigned, September 23, 1960, at the Wisconsin Public Service Commission, Madison, Wis., before Examiner Maurice S. Bush.

No. MC 20783 (Sub No. 52), filed July 25, 1960. Applicant: TOMP KINS MOTOR LINES, INC., 611 Milberry Street, Nashville, Tenn. Applicant's attorney: Carl L. Steiner, 39 South LaSalle Street, Chicago 3, Ill. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and meat by-products*, from Evansville, Ind., to points in Oklahoma, Arkansas, Louisiana, Missouri, Kansas, and Colorado.

HEARING: September 12, 1960, at the New Federal Building, Pittsburgh, Pa., before Examiner Edith H. Cockrill.

No. MC 78062 (Sub No. 53), filed May 9, 1960. Applicant: BEATTY MOTOR EXPRESS, INC., Jefferson Avenue Extension, Washington, Pa. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Glass products and closures*, from points in Canton Township, Washington County, Pa., to points in Michigan, excluding those in the upper peninsula of Michigan, and *empty pallets and empty containers or other such incidental facilities* (not specified) used in transporting the above-specified commodities, on return.

NOTE: Applicant proposes to transport the above-specified commodities for the Tygart Valley Glass Company, a subsidiary of the Brockway Glass Company, Inc. A proceeding has been instituted under section 212(c) in No. MC 78062 (Sub No. 30) to determine whether applicant's status is that of a common or contract carrier. Common control may be involved.

HEARING: October 10, 1960, at the New Post Office Building, Columbus, Ohio, before Examiner Raymond V. Sar.

No. MC 89706 (Sub No. 28), filed May 30, 1960. Applicant: MOTORWAY CORPORATION, 131 Matzinger Road, Toledo, Ohio. Applicant's attorney: Richard H. Brandon, Hartman Building, Columbus 15, Ohio. Authority sought to operate as a *common or contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Water heaters and water softeners*, (a) from Middleville, Mich., to points in Illinois, Indiana, Kentucky, Ohio, Pennsylvania, New York, West Virginia, Maryland, New Jersey, Tennessee, Virginia, the District of Columbia, St. Louis, Mo., and to points

in St. Louis County, Mo.; and (b) from Meridian, Miss., to points in Indiana, Illinois, Kentucky, Ohio, Michigan, Tennessee, West Virginia, Pennsylvania, New York, Maryland, New Jersey, Virginia, the District of Columbia, St. Louis, Mo., and to points in St. Louis County, Mo.; (2) *Tanks, parts, supplies, and equipment* used in manufacture and shipping of water heaters and water softeners, between Middleville, Mich., and Meridian, Miss., and (3) *Empty containers or other such incidental facilities* (not specified) used in transporting the above-specified commodities, from the above-specified destination points to their respective origin points.

NOTE: A proceeding has been instituted under section 212(c) in No. MC 89706 (Sub No. 26) to determine whether applicant's status is that of a common or contract carrier.

HEARING: October 12, 1960, at the New Post Office Building, Columbus, Ohio, before Examiner Raymond V. Sar.

No. MC 95627 (Sub No. 28) (CORRECTION), filed June 22, 1960, published in the FEDERAL REGISTER issue of July 13, 1960. Applicant: NELMS MOTOR LINES, INC., P.O. Box 912, Suffolk, Va. Applicant's attorney: Harry F. Gillis, 919-18th Street NW, Suite 226, Washington 6, D.C. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods, foods and food products* requiring temperature control in transit, from Norfolk, Richmond, Smithfield, Roanoke, and Suffolk, Va., and Landover, Md., to points in Georgia, North Carolina, South Carolina, Virginia, and Louisiana.

NOTE: The purpose of this republication is to add the destination state of South Carolina, inadvertently omitted from previous publication.

HEARING: Remains as reassigned September 28, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Alton R. Smith.

No. MC 101010 (Sub No. 10) filed July 1, 1960. Applicant: ERIE RAILROAD COMPANY, 101 Prospect Avenue NW., Cleveland 15, Ohio. Applicant's attorney: R. D. Lackland, Midland Building, Cleveland 15, Ohio. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities*, except commodities requiring special equipment, Classes A and B explosives, commodities in bulk, household goods as defined by the Commission, and commodities of unusual value, between Meadville, Pa., on the one hand, and, on the other hand, Greenville, Saegertown, Venango, Cambridge Springs, Mill Village, Union City, Concord, Corry, Cochran, Carlton, Utica, Sugar Creek, Franklin, Reno, and Oil City, Pa., (all of which points are stations on Erie Railroad). Restricted to highway trailers moving in substituted service on through rail bills of lading which will have had or will have a prior or subsequent rail movement in rail piggyback service,

which is auxiliary to, and supplemental of, its rail service.

NOTE: Common control may be involved.

HEARING: October 6, 1960, at the New Federal Building, Pittsburgh, Pa., before Examiner Raymond V. Sar.

No. MC 110733 (Sub No. 10) (SECOND AMENDMENT), filed October 26, 1959, published FEDERAL REGISTER issue of November 14, 1959. Applicant: ACE FREIGHT LINE, INC., 459 East Mallory Avenue, P.O. Box 10091—McKellar Station, Memphis, Tenn. Authority sought to operate as a *common or contract carrier*, by motor vehicle, over irregular routes, transporting: *Urea*, in containers, from Memphis, Tenn., and El Dorado, Ark., to points in Alabama, Arkansas, Louisiana, Mississippi, and Tennessee, and *empty containers or other such incidental facilities* (not specified) used in transporting urea, on return movements. Applicant is authorized to conduct operations in Alabama, Arkansas, Louisiana, Mississippi, and Tennessee.

NOTE: A proceeding has been instituted in No. MC 110733 (Sub No. 6) under section 212(c) to determine whether applicant's status is that of a common or contract carrier. This application previously published under "no hearing procedure". The purpose of this republication is to reflect the additional origin point of El Dorado, Ark.

HEARING: September 15, 1960, at the Claridge Hotel, Memphis, Tenn., before Examiner Henry A. Cockrum.

No. MC 117233 (Sub No. 4), filed June 8, 1960. Applicant: MERCURY MOTOR FREIGHT, INC., 415 Waddell Avenue, Clairton, Pa. Applicant's attorney: Henry M. Wick, Jr., 1515 Park Building, Pittsburgh 22, Pa. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Pre-cut and pre-fabricated buildings and component parts thereof*, from the plant site of Swift Homes, Inc., Borough and Township of Elizabeth, Allegheny County, Pa., to points in Arkansas and Mississippi, and *rejected and/or damaged shipments* of the above-named commodities from points in Mississippi and Arkansas to the plant site above, on return.

HEARING: October 3, 1960, at the New Federal Building, Pittsburgh, Pa., before Examiner Raymond V. Sar.

No. MC 117233 (Sub No. 6), filed July 22, 1960. Applicant: MERCURY MOTOR FREIGHT, INC., 415 Waddell Avenue, Clairton, Pa. Applicant's attorney: Henry M. Wick, Jr., 1515 Park Building, Pittsburgh 22, Pa. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Pre-cut and pre-fabricated buildings and component parts thereof*, from the site of the plant of Swift Homes, Inc., in the borough and township of Elizabeth, Pa., to points in Alabama, Georgia, Kansas, Louisiana, Nebraska, and Oklahoma, and *rejected or damaged shipments*, on return.

HEARING: October 3, 1960, at the New Federal Building, Pittsburgh, Pa., before Examiner Raymond V. Sar.

No. MC 119118 (Sub No. 9), filed June 22, 1960. Applicant: LEWIS W. McCURDY AND MARGARET J. Mc-

CURDY, doing business as McCURDY'S TRUCKING COMPANY, 571 Unity Street, Latrobe, Pa. Applicant's attorney: Paul F. Sullivan, 1821 Jefferson Place NW., Washington 6, D.C. Authority sought to operate as a *common or contract carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, in containers, from Baltimore, Md., to points in Beaver, Allegheny, Washington and Westmoreland Counties, Pa., and Sharon and Warren, Pa.

NOTE: A proceeding has been instituted under section 212(c) of the Interstate Commerce Act to determine whether applicant's status is that of a contract or common carrier * * * In No. MC 116564 (Sub-No. 7).

HEARING: October 5, 1960, at the New Federal Building, Pittsburgh, Pa., before Examiner Raymond V. Sar.

No. MC 119632 (Sub No. 4) (CLARIFICATION), filed June 10, 1960, published in the FEDERAL REGISTER issue of July 7, 1960. Applicant: REED LINES, INC., 210 North Clinton, Defiance, Ohio. Applicant's attorney: John R. Meeks, 607 Copley Road, Akron 20, Ohio. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise or commodities* (except in bulk, in tank vehicles), as are dealt in by rubber products plants and in connection therewith, *equipment, materials and supplies* used in the conduct of such business, between the plant site of B. F. Goodrich Tire Company at Woodburn, Ind., in Miland Township, Allen County, Ind., on the one hand, and, on the other, points in the United States, on and east of the Mississippi River, including all west bank points, namely the States of Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Tennessee, Kentucky, Illinois, Indiana, Ohio, Michigan, Wisconsin, West Virginia, Pennsylvania, Virginia, New York, New Jersey, Delaware, Maryland, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine, the District of Columbia, Louisiana, Arkansas, Missouri, Iowa, and Minnesota.

HEARING: Remains as assigned September 9, 1960, in the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Leo W. Cunningham.

No. MC 119671 (Sub No. 1), filed July 22, 1960. Applicant: JOHN WILLIAM DALTON, doing business as DALTON TRUCKING COMPANY, Box 186, Route 6, Morgantown, W. Va. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities as are transported in dump trucks and can be unloaded by dump trucks*; between points in Taylor, Marion, Harrison, Preston, and Monongalia Counties, W. Va., and points in Greene and Fayette Counties, Pa.

HEARING: October 7, 1960, at the New Federal Building, Pittsburgh, Pa., before Examiner Raymond V. Sar.

No. MC 119704, filed April 25, 1960. Applicant: SERVICE ICE COMPANY, a Corporation, 1013 North 14th Street, Sheboygan, Wis. Applicant's attorney:

John S. Walter, 622 New York Avenue, Sheboygan, Wis. Authority sought to operate as a *contract carrier*, by motor vehicle over irregular routes, transporting: *Milk and milk products, milk powders* ordinarily requiring refrigerated trucks, including fruit flavors, nuts, ice cream, mixes, *empty cases and containers* used in transporting the above-specified commodities, and *returned shipments* thereof, between Sheboygan, Wis., and points in Wisconsin, Iowa, Minnesota, Illinois, Indiana and Michigan.

NOTE: Applicant states the proposed transportation will be for Verifine Dairy Products Co., Sheboygan, Wis.

HEARING: September 21, 1960, at the Wisconsin Public Service Commission, Madison, Wis., before Examiner Maurice S. Bush.

No. MC 119866 filed June 17, 1960. Applicant: VICTOR RUPERT, doing business as RUPERT'S TRUCKING COMPANY, 914 Roup Avenue, Brackenridge, Pa. Applicant's attorney: Paul R. Butler, 1701 Law & Finance Building, Pittsburgh 19, Pa. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber, milled lumber, plaster boards, composition wall boards, ceiling tile, pressed board and insulation*, between points in Allegheny, Beaver, Lawrence, Mercer, Crawford, Erie, Venango, Clarion, Butler, Armstrong, Jefferson, Clearfield, Forest, Warren, McKean, Elk, Cameron, Indiana, Cambria, Blair, Bedford, Westmoreland, Potter, Clinton, Somerset, Greene, Washington, Center, Fayette, Huntington, Fulton, Franklin, Cumberland, Juniata, Perry, and Mifflin Counties, Pa.; Trumbull, Portage, Summit, Mahoning, Columbiana, Stark, Jefferson, Carroll, Tuscarawas, Harrison, and Belmont Counties, Ohio, Marshall, Wood, Pleasants, Tyler, Wetzel, Wirt, Ritchie, Doddridge, Harrison, Marion, Monongahela, Taylor, and Preston Counties, W. Va.; and Garrett, Allegheny, Washington, Berkeley, Jefferson, and Morgan Counties, Md.

HEARING: October 4, 1960, at the New Federal Building, Pittsburgh, Pa., before Examiner Raymond V. Sar.

No. MC 119910, filed July 11, 1960. Applicant: ANDREW J. GIBBS, P.O. Box 721, Lexington, Ky. Applicant's attorney: Robert M. Pearce, Seventh Floor, McClure Building, Frankfort, Ky. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Gottage cheese, dip cheese, butter, ice cream, milk and cream*, between Indianapolis, Ind. and Lexington, Ky.

HEARING: September 15, 1960, at the Kentucky Hotel, Louisville, Ky., before Joint Board No. 155.

No. MC 120234 (Sub No. 1), filed July 27, 1960. Applicant: DONALD MURRAY, doing business as MURRAY AUTO TRANSPORT COMPANY, P.O. Box 8707, Houston, Tex. Applicant's attorney: Louis E. Smith, Suite 511, Fidelity Building, Indianapolis 4, Ind. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Automobiles, trucks and buses*, as described in Ex Parte No. MC-

45, *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766; in truckaway service in secondary movements, from points in Texas, to points in Arizona, New Mexico, and Texas.

NOTE: Applicant presently conducts operations under the second proviso of section 206(a)(1) of the Interstate Commerce Act. In the event that this application is granted, applicant will surrender its registration for cancellation.

HEARING: September 22, 1960, at the Baker Hotel, Dallas, Tex., before Joint Board No. 127, or, if the Joint Board waives its right to participate, before Examiner Leo M. Pellerzi.

MOTOR CARRIERS OF PASSENGERS

No. MC 58915 (Sub No. 39) (AMENDMENT), filed June 20, 1960, published in the FEDERAL REGISTER issue of July 27, 1960. Applicant: LINCOLN TRANSIT CO., INC., U.S. Highway 46, East Paterson, N.J. Applicant's attorney: Robert E. Goldstein, 24 West 40th Street, New York 18, N.Y. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage, express, and newspapers*, in the same vehicle with passengers, in Madison Township, Middlesex County, N.J., as follows: (1) From the junction of New Jersey Highway 18 and County Road 527 at the Old Bridge Traffic Circle over New Jersey Highway 18 to the junction of U.S. Highway 9, and return over the same route, serving all intermediate points. (2) From the junction of New Jersey Highway 18 and County Road 527 at the Old Bridge Traffic Circle over County Road 516 to the junction of U.S. Highway 9, and return over the same route, serving all intermediate points. (3) From the junction of U.S. Highway 9 and Throckmorton Lane, over Throckmorton Lane to Gaub Road, thence over Gaub Road to junction County Road 516, and return over the same route, serving all intermediate points.

HEARING: Remains as assigned, September 19, 1960, in Room 212, State Office Building, 1100 Raymond Boulevard, Newark, N.J., before Joint Board No. 119.

No. MC 119882, filed June 27, 1960. Applicant: CAPITAL FRONTIER COACH LINES, INC., 1122 19th Street NW., Washington 6, D.C. Applicant's attorney: Arthur M. Wagman, 1122 19th Street NW., Washington 6, D.C. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers, baggage, express, mail and newspapers*, between Washington, D.C. and Niagara Falls, N.Y., from Washington, D.C. over U.S. Highway 240 to junction U.S. Highway 40, thence over U.S. Highway 40 to Hagerstown, Md., thence over U.S. Highway 11 to Greencastle, Chambersburg and Shippensburg, Pa., thence over Pennsylvania Highway 696 to junction Pennsylvania Highway 944, thence over Pennsylvania Highway 944 to junction Gate 15, Pennsylvania Turnpike, thence west over Pennsylvania Turnpike to Gate 13 (Fort Littleton) and junction U.S. Highway 522, thence over U.S. Highway 522 to Burnt Cabins, Shade Gap, Orbinsonia, Shirleysburg and Mount Union

to junction U.S. Highway 22, thence over U.S. Highway 22 to Huntingdon and Water Street, thence over Pennsylvania Highway 350 to Tyrone, Bald Eagle, Sandy Ridge and Philipsburg to junction U.S. Highway 322, thence over U.S. Highway 322 to Clearfield, thence over Pennsylvania Highway 153 to Penfield, thence over Pennsylvania Highway 255 to St. Mary's and Johnsonburg, thence over U.S. Highway 219 to Wilcox and junction unnumbered Pennsylvania Highway, thence over unnumbered Pennsylvania Highway to Kane, thence over U.S. Highway 6 to Sheffield and Warren, thence over U.S. Highway 62 to Frewsburg, N.Y., thence over New York Highway 60 to Jamestown and Fredonia to junction New York State Thruway, thence over New York State Thruway to Buffalo to junction Grand Island Freeway, thence over Grand Island Freeway to Niagara Falls, and return over the same route, serving all intermediate points.

HEARING: September 15, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner James O'D Moran.

APPLICATIONS IN WHICH HANDLING WITHOUT ORAL HEARING IS REQUESTED

MOTOR CARRIERS OF PROPERTY

No. MC 29555 (Sub No. 36), filed July 25, 1960. Applicant: BRIGGS TRANSPORTATION CO., a Corporation, 2360 West County Road C., St. Paul 13, Minn. Authority sought to operate as a *common carrier*, by motor vehicle, over a regular route, transporting: *General commodities*, except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, between Duluth, Minn., and Forest Lake, Minn., from Duluth over Minnesota Highway 23 to junction U.S. Highway 61, thence over U.S. Highway 61 to Forest Lake, and return over the same route, serving no intermediate points, as an alternate route for operating convenience only in connection with applicant's authorized regular route operations.

No. MC 110733 (Sub-No. 21), filed July 27, 1960. Applicant: ACE FREIGHT LINE, INC., 459 East Mallory Avenue, Memphis, Tenn. Authority sought to operate as a *contract or common carrier*, by motor vehicle, over irregular routes, transporting: *Dry Fertilizer*, in bulk and in packages, from El Dorado, Ark., to points in Kentucky, and *exempt commodities* on return.

NOTE: A proceeding has been instituted under section 212(c) of the Interstate Commerce Act to determine whether applicant's status is that of a contract or common carrier in No. MC 110733 (Sub-No. 6).

No. MC 118631 (Sub No. 1), filed July 22, 1960. Applicant: EPHREM BOUCHARD, Mackay Street, Milton, Vt. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (A) *Commercial chemical fertilizer materials and mixtures*, in bulk, in hopper-type vehicles, equipped with spreading devices to perform spreading operation on farm land, in seasonal operations between April 15 and November 15, inclusive, (1)

from ports of entry on the International Boundary line between the United States and Canada located in Clinton and Franklin Counties, N.Y., to points in Clinton, Essex, Franklin, Lewis, St. Lawrence and Jefferson Counties, N.Y.; and (2) from ports of entry on the International Boundary line between the United States and Canada located in Franklin and Orleans Counties, Vt., to points in Franklin, Orleans, Caledonia, Chittenden, Grand Isle, Lamoille, Washington, Orange, Windsor, Addison, and Essex Counties, Vt., and points in Grafton County, N.H.; and (B) *Empty containers or other such incidental facilities* (not specified) used in transporting the above-specified commodities, from the above-specified destination points to their respective origin points.

No. MC 118916 (Sub No. 2), filed May 31, 1960. Applicant: LEONARD POWELL, 520 South Ella, Sandpoint, Idaho. Applicant's attorney: E. Glenn Harmon, 1114 Old National Bank Building, Spokane, Wash. Authority sought to operate as a *common carrier*, by motor vehicle, over a regular route, transporting: *Dairy products*, including milk, cream, cottage cheese, butter, and eggs, and *frozen dairy products*, including ice cream and sherbert, in vehicles equipped with temperature-control devices, and *bakery products*, including bread, cakes, pies, cookies, and rolls, from Sandpoint, Idaho to Troy, Mont., over U.S. Highway 2, serving no intermediate points, and *empty containers or other such incidental facilities* (not specified) used in the transportation of the above-mentioned commodities, and *contaminated or rejected shipments*, on return.

No. MC 119118 (Sub No. 10), filed July 29, 1960. Applicant: LEWIS W. McCURDY and MARGARET J. McCURDY, doing business as McCURDY'S TRUCKING COMPANY, 571 Unity Street, Latrobe, Pa. Applicant's attorney: Paul F. Sullivan, Sundial House, 1821 Jefferson Place NW., Washington 6, D.C. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, in containers, and *advertising material* moving therewith; from Milwaukee, Wis., to Butler, Kittanning, and Lewiston, Pa., and *empty containers or other such incidental facilities*, used in transporting the above-described commodities, on return.

NOTE: Applicant presently holds contract authority in MC 116564 and Subs thereunder, therefore, dual operations may be involved.

MOTOR CARRIERS OF PASSENGERS

No. MC 1501 (Sub No. 198), filed July 26, 1960. Applicant: THE GREYHOUND CORPORATION, Rm. 1500, 140 South Dearborn Street, Chicago 3, Ill. Applicant's attorney: George W. Rauch (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage, and express, mail, and newspapers*, in the same vehicle with passengers; between Fargo, N. Dak., and the North Dakota-Montana State line, (1) from Fargo over Interstate Highway 94 to junction U.S. Highway 10 at the inter-

change nearest the Montana-North Dakota State line, and return over the same route, serving all intermediate points; and (2) from Jamestown, N. Dak., over U.S. Highway 281 to junction Interstate Highway 94, and return over the same route, serving all intermediate points.

NOTE: Applicant states it proposes to join or tack the requested authority, if granted, to its present authority to serve all intermediate points between Fargo, N. Dak., and Billings, Mont., over U.S. Highway 10, as described on Sheet 2 of the Certificate granted by this Commission in Docket No. MC 1501 (Sub No. 126).

No. MC 68167 (Sub No. 37), filed July 26, 1960. Applicant: WASHINGTON, VIRGINIA AND MARYLAND COACH COMPANY, INC., 707 North Randolph Street, Arlington, Va. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers, and their baggage, and express and mail*, in the same vehicle with passengers, between the junction U.S. Highway 50 and Virginia Highway 650 and junction Virginia Highways 649 and 709, from junction U.S. Highway 50 and Virginia Highway 650, over Virginia Highway 650 to junction Virginia Highway 709; thence, over Virginia Highway 709, in a southerly direction, to junction Virginia Highway 649, and return over the same route, serving all intermediate points.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carrier of property or passengers under section 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto (49 CFR 1.240).

MOTOR CARRIERS OF PROPERTY

No. MC-F 7448, GARRETT FREIGHT-LINES, INC.—PURCHASE (PORTION)—WESTERN EXPRESS, published in the February 25, 1960, issue of the FEDERAL REGISTER on page 1656. Application filed August 2, 1960, for temporary authority under section 210a(b).

No. MC-F 7603. Authority sought for purchase by C. M. LANG AND C. R. GIVENS, doing business as LANG TRANSIT COMPANY, 38th and Quirt Avenue, P.O. Box 1625, Lubbock, Tex., of a portion of the operating rights of T.I.M.E., INCORPORATED, 2604 Texas Avenue, P.O. Box 1120, Lubbock, Tex. Applicants' attorney: W. D. Benson, Jr., P.O. Box 1120, Lubbock, Tex. Operating rights sought to be transferred: *General commodities*, excepting, among others, household goods and commodities in bulk, as a *common carrier* over regular routes, between Brownfield, Tex., and Hobbs, N. Mex., serving all intermediate points and the off-route points of the site of the Phillips Petroleum Company Plant and Refinery, near Buckeye, N. Mex., and the site of the Sinclair Oil and Gas Company's Gas Products Plant No. 29 near Tatum, N. Mex., and between Plains, Tex., and Lovington, N. Mex., serving all intermediate points in Texas,

the above routes subject to the restriction that Hobbs, N. Mex., shall not be served on freight moving to, through or from Brownfield or Lubbock, Tex. Vendee is authorized to operate as a *common carrier* in Texas and New Mexico. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7604. Authority sought for purchase by WILLIAM F. CARTRIGHT, doing business as SOUTH PROSPECT TRANSFER, 7205-09 Prospect Avenue, Kansas City, Mo., of a portion of the operating rights of EL RENO TRANSFER AND STORAGE COMPANY, Evans and Carson Streets, El Reno, Okla. Applicants' attorneys: Kretsinger & Kretsinger, 1014-18 Temple Building, Kansas City 6, Mo. Operating rights sought to be transferred: *Household goods*, as defined by the Commission, as a *common carrier* over irregular routes, between points in Canadian County, Okla., on the one hand, and, on the other, points in New Mexico. Vendee is authorized to operate as a *common carrier* in Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, Ohio, Wisconsin, Pennsylvania, New York, New Jersey, Massachusetts, Connecticut, Delaware, Maryland, Virginia, Oklahoma, Arkansas, Texas, Kansas, Colorado, Tennessee, Nebraska, Minnesota, South Dakota, West Virginia, Mississippi, North Carolina, Alabama, Georgia and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7605. Authority sought for purchase by FISHERS AND ARNOLD, INC., Pendleton Street, Falmouth, Ky., of the operating rights of PAUL SCHIRMER, U.S. Highway 42, Warsaw, Ky., and for acquisition by ALBERT K. FISHER, CHARLES W. FISHER and GARELD C. ARNOLD, all of Falmouth, of control of such rights through the purchase. Applicants' attorney: Robert H. Kinker, Box 127, Frankfort, Ky. Operating rights sought to be transferred: *Sand, gravel, roadmix, blacktop, asphalt, white rock, limestone, crushed stone, and dense grade aggregate*, as a *common carrier* over irregular routes, between points in Carroll, Gallatin, Trimble, and Henry Counties, Ky., on the one hand, and, on the other, points in Jefferson, Switzerland, Ohio, Dearborn, and Ripley Counties, Ind. Vendee is authorized to operate as a *common carrier* in Kentucky, Ohio and Indiana. Application has been filed for temporary authority under section 210a(b).

No. MC-F 7606. Authority sought for purchase by PAUL ARPIN VAN LINES, INC., (NEW YORK CORPORATION), 150 Manton Avenue, Providence, R.I., of the operating rights of ATLANTIC & PACIFIC MOVING CO., 2547 Farrar Street, St. Louis, Mo., and for acquisition by PAUL ARPIN VAN LINES, INC., (RHODE ISLAND CORPORATION), also of Providence, of control of such rights through the purchase. Applicants' attorney: Herbert Burstein, 160 Broadway, New York, N.Y. Operating rights sought to be transferred: *Household goods*, as defined by the Commission, as a *common carrier* over irregular routes, between St. Louis, Mo., and points within 25 miles thereof, on the one hand,

and on the other, points in Illinois and Missouri, between St. Louis, Mo., and East St. Louis, Ill., and points within 50 miles of St. Louis, Mo., and East St. Louis, Ill., on the one hand, and, on the other, points in Arkansas, Indiana, Iowa, Kentucky, Michigan, Nebraska, New York, Ohio, Tennessee, and Texas, between Clay Center, Kans., and points within 20 miles thereof, on the one hand, and, on the other, points in Arkansas, Colorado, Iowa, Missouri, Nebraska, and Oklahoma, between Philadelphia, Pa., on the one hand, and on the other, points in New York, New Jersey, Pennsylvania, Delaware, Maryland and the District of Columbia, and between Kansas City, Mo., and points within 25 miles thereof, on the one hand, and, on the other, points in Missouri and Kansas. Vendee is authorized to operate as a *common carrier* in New York, New Jersey, Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Texas, Colorado, Illinois, Wisconsin, Tennessee, Mississippi, Kentucky, Indiana, Alabama, Florida, Georgia, Ohio, Michigan, West Virginia, Virginia, North Carolina, South Carolina, Pennsylvania, Maryland, Delaware, Massachusetts, Connecticut, New Hampshire, Rhode Island, Vermont, Maine and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7607. Authority sought for control by RYDER SYSTEM, INC., 3401 Main Highway, Miami 33, Fla., of HOOVER MOTOR EXPRESS COMPANY, INC., Polk Avenue, Post Office Box 450, Nashville, Tenn., and for acquisition by JAR CORPORATION (in turn by R. B. RYDER), JAR NO. 2 CORPORATION (in turn by R. B. RYDER), J. A. RYDER, R. B. RYDER and R. N. REEDY, all of Miami, of control of HOOVER MOTOR EXPRESS COMPANY, INC., through the acquisition by RYDER SYSTEM, INC. Applicant's attorneys: David G. Macdonald, 1625 K Street NW., Washington 6, D.C., and James F. Pinkney and Castle W. Jordan, both of 3401 Main Highway, Miami 33, Fla. Operating rights sought to be controlled: *General commodities*, with certain exceptions including household goods and commodities in bulk, as a *common carrier* over regular routes including routes between Memphis, Tenn., and Atlanta, Ga., between Chattanooga, Tenn., and Atlanta, Ga., between Nashville, Tenn., and Atlanta, Ga., between Birmingham, Ala., and Atlanta, Ga., between Memphis, Tenn., and St. Louis, Mo., between Nashville, Tenn., and St. Louis, Mo., between Nashville, Tenn., and Birmingham, Ala.; between East St. Louis, Ill., and Birmingham, Ala., between Knoxville, Tenn., and Cartersville, Ga., between Atlanta, Ga., and Knoxville, Tenn., between specified points in Tennessee, between Nashville, Tenn., and Tusculumbia, Ala., between specified points in Alabama, between specified points in Kentucky, between Westmoreland, Tenn., and Glasgow, Ky., between Birmingham, Ala., and Memphis, Tenn., between Chicago, Ill., and Cincinnati, Ohio, between Chicago, Ill., and Indianapolis, Ind., between Cincin-

nati, Ohio, and Louisville, Ky., and between Chicago, Ill., and West Allis, Wis., serving certain intermediate and off-route points; several alternate routes for operating convenience only; *general commodities*, between Chicago, Ill., and Milwaukee, Wis., serving no intermediate points; *general commodities*, except those rated lower than seventh class, between Cincinnati, Ohio, and Nashville, Tenn., serving the intermediate point of Louisville, Ky., restricted to pick-up and delivery of commodities other than articles of unusual value, Class A and B explosives, whisky and liquids in bulk, moving to or from points south of Louisville; *general commodities*, except those of unusual value, Class A and B explosives, whisky, and liquids in bulk, between Louisville, Ky., and Nashville, Tenn., serving the intermediate points of Temple Hill, Mt. Herman, Mud Lick, and Tompkinsville, Ky.; *general commodities*, except those of unusual value, and except commodities in bulk, between Union City, Tenn., and Clinton, Ky., serving the intermediate points of Jordan and Moscow, Ky., and restricted against pick-up or delivery of freight at either Union City or Clinton; *cellophane and rayon*, from Old Hickory, Tenn., to Nashville, Tenn., serving no intermediate points; *dangerous explosives*, from Birmingham, Ala., to Nashville, Tenn., serving no intermediate points; *empty vehicles*, between Birmingham, Ala., and Chattanooga, Tenn., serving no intermediate points. RYDER SYSTEM, INC., holds no authority from this Commission. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7608. Authority sought for purchase by DEATON TRUCK LINE, INC., 3409 Tenth Avenue North, P.O. Box 1271, Birmingham 1, Ala., of the operating rights of MAGNOLIA TRUCK LINE, INC., 1229 Kansas Street, P.O. Box 844, Memphis 1, Tenn., and for acquisition by DEATON TRUCK LINE, Livingston, Ala., of control of such rights through the purchase. Applicants' attorneys: A. Alvis Layne, Pennsylvania Building, Washington 4, D.C., and John Paul Jones, 189 Jefferson Avenue, Memphis, Tenn. Operating rights sought to be transferred: *General commodities*, excepting, among others, household goods and commodities in bulk, as a *common carrier* over a regular route between Hernando, Miss., and Memphis, Tenn., serving the intermediate and off-route points in DeSoto County, Miss., within seven miles of Hernando, Miss. Vendee is authorized to operate as a *common carrier* in Alabama, Georgia, Louisiana, Texas, Arkansas, Oklahoma, Missouri, Florida, North Carolina, South Carolina, Tennessee, Kentucky and Mississippi. Application has been filed for temporary authority under section 210a(b).

No. MC-F 7609. Authority sought for purchase by C & H TRANSPORTATION CO., INC., 1935 West Commerce, P.O. Box 5976, Dallas, Tex., of a portion of the operating rights of BILL FRADY & CO., Odessa, Tex. Applicants' attorney and representative, respectively: W. T. Brunson, 508 Leonhardt Building, Oklahoma City 2, Okla., and Bill Frady,

President, Bill Frady & Co., Odessa, Tex. Operating rights sought to be transferred: *Such commodities* as require the use of special equipment by reason of size or weight, other than Mercer-description commodities, as a *common carrier* over irregular routes, between points in Colorado, and between points in Colorado, on the one hand, and, on the other, points in Texas and Oklahoma. Vendee is authorized to operate as a *common carrier* in Kansas, New Mexico, Texas, Oklahoma, Louisiana, Illinois, Indiana, Kentucky, Mississippi, Arkansas, Wisconsin, North Dakota, South Dakota, Missouri, Nebraska, Colorado, Ohio, Oregon, Washington, Pennsylvania, Minnesota, Michigan, Iowa, New Jersey, New York, Wyoming, Utah, Montana, West Virginia, Arizona, Tennessee, Alabama, Florida and Georgia. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7610. Authority sought for purchase by PEP LINES TRUCKING CO., 15120 Third, Highland Park, Mich., of a portion of the operating rights and certain property of FILM TRUCK SERVICE, INC., 6111 Concord, Detroit 11, Mich., and for acquisition by PETER P. ELLIS, 18025 Warrington Drive, Detroit, Mich., of control of such rights and property through the purchase. Applicants' attorney: Robert A. Sullivan, 1800 Buhl Building, Detroit 26, Mich. Operating rights sought to be transferred: *Motion picture, still picture, and sound producing films, and recording, reproducing, and amplifying devices, advertising matter, exhibits, tickets; vending machines, supplies, and materials* used in connection with the operation and maintenance of theatres and places of motion picture exhibition when moving to and from such theatres or places of exhibition, as a *common carrier* over irregular routes, between points in Michigan; *magazines*, from Detroit, Mich., to points in Michigan (except Port Huron and Mt. Clemens), and from New Buffalo, Mich., to Saint Louis and Westbranch, Mich. Vendee is authorized to operate as a *common carrier* in Michigan under the Second Proviso of section 206(a)(1) of the Interstate Commerce Act. Application has been filed for temporary authority under section 210a(b).

No. MC-F 7612. Authority sought for continuance in control by LOOMIS ARMORED CAR SERVICE, INC. OF CALIFORNIA, 821 Sansome Street, San Francisco 11, Calif. (in turn by WALTER F. LOOMIS and CHARLES LOOMIS, both of 55 Battery Street, Seattle, Wash.), of LOOMIS ARMORED TRANSPORT, INC., 2719 Market Street, San Diego 12, Calif. Applicant's attorney: George H. Hart, 827 Central Building, Seattle 4, Wash. Operating rights sought to be controlled: *Coin, currency, checks, securities, gold, silver, negotiable and non-negotiable instruments, and other valuable papers and documents*, as a *contract carrier* over irregular routes, between San Diego, Calif., and ports of entry on the United States-Mexico boundary line at or near San Ysidro, Calif. RESTRICTION: The above-described operations are limited to transportation service to be performed under

a continuing contract, or contracts, with banking institutions. LOOMIS ARMORED CAR SERVICE, INC. OF CALIFORNIA holds no authority from this Commission. However, its controlling stockholders are affiliated, through stock ownership, with LOOMIS ARMORED CAR SERVICE, INC., 55 Battery Street, Seattle, Wash., which is authorized to operate as a *contract carrier* in Washington and Oregon. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7613. Authority sought for purchase by LIBERTY MOTOR FREIGHT LINES, INCORPORATED, 2200 Harlem Road, Buffalo 25, N.Y., of a portion of the operating rights of CONSOLIDATED FREIGHTWAYS CORPORATION OF DELAWARE, 175 Linfield Drive, Menlo Park, Calif., and for acquisition by CONSOLIDATED FREIGHTWAYS CORPORATION OF DELAWARE, 175 Linfield Drive, Menlo Park, Calif., of control of such rights through the purchase. Applicant's attorneys: E. T. Liipfert, 175 Linfield Drive, Menlo Park, Calif., and John R. Turney, 2001 Massachusetts Avenue NW., Washington 6, D.C. Operating rights sought to be transferred: *General commodities*, excepting, among others, household goods and commodities in bulk, as a *common carrier* over regular routes, between Akron, Ohio, and New Castle, Pa., between specified points in Pennsylvania, between specified points in Ohio, between specified points in Wisconsin, between specified points in Indiana, between specified points in Illinois, between specified points in Iowa, between Youngstown, Ohio, and Minneapolis, Minn., between Sharon, Pa., and Norwalk, Ohio, between Chicago, Ill., and Green Bay, Wis., between Rockford, Ill., and Waterloo, Iowa, between Canton, Ohio, and Minneapolis, Minn., between Akron, Ohio, and Anoka, Minn., between Cleveland, Ohio, and Indianapolis, Ind., between Davenport, Iowa, and Minneapolis, Minn., between LaCrosse, Wis., and Austin, Minn., between Youngstown, Ohio, and New York, N.Y., between Canton, Ohio, and Newark, N.J., between Gettysburg, Pa., and Baltimore, Md., between Baltimore, Md., and Philadelphia, Pa., between Pittsburgh, Pa., and Cleveland, Ohio, between Baltimore, Md., and Brezewood, Pa., between Baltimore, Md., and Washington, D.C., between Hagerstown, Md., and McConnellsburg, Pa., between Camden, N.J., and Carney's Point, N.J., and between Chicago, Ill., and the junction of U.S. Highways 30 and 41 near Schererville, Ind., serving certain intermediate and off-route points; several alternate routes for operating convenience only; *general commodities*, except those of unusual value, or of a bulk or size requiring special equipment, from Baltimore, Md., to Easton and Reading, Pa., and from Harrisburg and Reading, Pa., to Baltimore, Md., serving certain intermediate points; *general commodities*, excepting, among others, household goods and liquids, in bulk, in tank trucks, between St. Louis, Mo., and Onarga, Ill., between specified points in Illinois, between Springfield, Ill., and Indianapolis, Ind., between specified points in Indiana, between

Indianapolis, Ind., and Wapakoneta, Ohio, between Dayton, Ohio, and Findlay, Ohio, and between Springfield, Ohio, and Toledo, Ohio, serving certain intermediate and off-route points; *nickel and chrome coated metal sheets and strips*, from Walnutport to Allentown, Pa., serving no intermediate points; *general commodities*, excepting, among others, household goods and commodities in bulk, over irregular routes, between points in Lake and Porter Counties, Ind., and those in Illinois within 75 miles of Chicago, including Chicago, but not including those in Illinois on U.S. Highway 41 and Illinois Highways 120 and 42, between Allentown and Bethlehem, Pa., on the one hand, and, on the other, certain points in Pennsylvania, and between Allentown, Pa., on the one hand, and, on the other, points in New Jersey and Pennsylvania within 25 miles of Allentown. These rights were acquired by vendor pursuant to Docket No. MC-F 6276, consummated July 18, 1960. Vendee is authorized to operate as a *common carrier* in Massachusetts, Illinois, New York, Ohio, Pennsylvania, New Jersey, Missouri, Connecticut, Rhode Island, Indiana, Delaware, West Virginia, Maryland, Kentucky and Michigan. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7614. Authority sought for control by DANIEL A. WAHLBERG, 70 Logan Street, Bridgeport, Conn., of EASTERN DELIVERY SERVICE, INC., 242 Lodi Street, Hackensack, N.J., SUBURBAN DELIVERY COMPANY, INCORPORATED, 70 Logan Street, Bridgeport, Conn., and THE BRIDGEPORT UNITED DELIVERY COMPANY, 70 Logan Street, Bridgeport, Conn. Applicant's attorney: Paul J. Goldstein, 109 Church Street, New Haven, Conn. Operating rights sought to be controlled: (EASTERN) Those rights authorized by order of June 6, 1960, in Docket No. MC 119192 covering the transportation of *general commodities*, except dangerous explosives, as a *contract carrier* over irregular routes, from Hackensack, N.J., to points in Westchester and Rockland Counties, N.Y., and *returned shipments* from the above-named destinations to Hackensack, N.J., limited to the transportation of packages not exceeding 100 pounds each in a retail delivery service to be performed under a continuing contract or contracts with Federated Department Stores, Incorporated, Bloomingdale Brothers Division; (SUBURBAN) *General commodities*, except Class A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment, in retail store delivery service, restricted to packages of 100 pounds or less, as a *contract carrier* over irregular routes, between Stamford, Conn., on the one hand, and, on the other, points in Westchester County, N.Y.; (BRIDGEPORT) *general commodities*, except those of unusual value, Class A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, as a *common carrier* over irregular routes, from Bridgeport, Conn., to certain points in

Connecticut; *return shipments* of the above-specified commodities which carrier previously has delivered, from certain points in Connecticut to Bridgeport, Conn. DANIEL A. WAHLBERG holds no authority from this Commission. However, he is affiliated with EASTERN, SUBURBAN AND BRIDGEPORT. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7615. Authority sought for purchase by MOTOR EXPRESS, INC., 410 Lincoln Building, Cleveland, Ohio, of the operating rights of ENDRES DELIVERY, INC., (DAVID J. GOLDSTEIN, ASSIGNEE), 34 Cypress Street, Buffalo, N.Y., and for acquisition by U.S. TRUCK LINES, INC. OF DELAWARE, 1602 Union Commerce Building, Cleveland 14, Ohio, of control of such rights through the purchase. Applicants' attorneys: Roland Rice, 618 Perpetual Building, Washington 4, D.C., and Harry H. Wiltse, Liberty Bank Building, Buffalo 2, N.Y. Operating rights sought to be transferred: *General commodities*, excepting, among others, household goods and commodities in bulk, as a *common carrier* over irregular routes, between Buffalo, N.Y., on the one hand, and, on the other, points in Erie and Niagara Counties, N.Y., except Depew, Lancaster, and Cheektowaga, N.Y., and between Buffalo, Depew, Lancaster, and Cheektowaga, N.Y. Vendee is authorized to operate as a *common carrier* in Ohio, Pennsylvania, New York and West Virginia. Application has been filed for temporary authority under section 210a(b).

No. MC-F 7616. Authority sought for purchase by P. I. & I. MOTOR EXPRESS, INC., 838 South Irvine, Masury, Ohio, of the operating rights of BUSH TRUCKING CO., 1616 East Liberty Avenue, Girard, Ohio, and for acquisition by JOSEPH J. KEROLA, also of Masury, of control of such rights through the purchase. Applicants' attorney: J. C. Schriner, 3350 Superior Avenue, Cleveland 14, Ohio. Operating rights sought to be transferred: *General commodities*, excepting, among others, household goods and commodities in bulk, as a *common carrier* over regular routes, between St. Louis, Mo., and Belleville, Ill., serving the intermediate and off-route points of Edgemont and Scott Field, Ill., and from Belleville, Ill., to St. Louis, Mo., serving the intermediate and off-route points of Edgemont and Scott Field, Ill., restricted to delivery only. Vendee is authorized to operate as a *common carrier* in Pennsylvania, Indiana and Illinois. Application has not been filed for temporary authority under section 210a(b).

MOTOR CARRIERS OF PASSENGERS

No. MC-F 7611. Authority sought for control by ROSE F. AGOSTINI, 510 Burritt Street, New Britain, Conn., of THE BRISTOL TRACTION COMPANY, INC., 400 Riverside Avenue, Bristol, Conn. Applicant's attorney: Linwood C. Major, Jr., 2001 Massachusetts Avenue NW, Washington 6, D.C. Operating rights sought to be controlled: *Passengers and their baggage*, in charter operations, as a *common carrier* over

irregular routes, from points in Connecticut on a route between Thomaston and Plainville, Conn., including Thomaston and Plainville, from Thomaston over U.S. Highway 6 to junction Connecticut Highway 72, thence over Connecticut Highway 72 to Plainville, and from points within 10 miles of such points, except Avon, West Hartford, Hartford, Newington, Wethersfield, Rocky Hill, Cromwell, Middletown, Berlin, Meriden, Cheshire, Southington, Prospect, Waterbury, Naugatuck, Torrington, New Hartford, Canton, Litchfield, Morris, Bethlehem, Watertown, Woodbury and Middlebury, Conn., to points in the United States, and return. ROSE F. AGOSTINI holds no authority from this Commission. However, she is affiliated, through stock ownership, with NEW BRITAIN TRANSPORTATION CO., INC., 333 Arch Street, New Britain, Conn., which is authorized to operate as a *common carrier* in Connecticut, Virginia, New Hampshire, Massachusetts, Rhode Island, New York, New Jersey and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

By the Commission.

[SEAL] HAROLD D. McCoy,
Secretary.

[F.R. Doc. 60-7428; Filed, Aug. 9, 1960;
8:48 a.m.]

[Notice 362]

MOTOR CARRIER TRANSFER
PROCEEDINGS

AUGUST 5, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 63454. By order of August 3, 1960, The Transfer Board approved the transfer to Chet Sampson's Tours, Inc., 100 Kercheval Ave., Grosse Pointe Farms 36, Mich., of Certificate in No. MC 106393, issued January 31, 1947, to Chester James Sampson, 755 Harcourt, Grosse Pointe Park, Mich., authorizing the transportation of: Passengers and their baggage in special operation consisting of round-trip tours, over irregular routes, beginning and ending at Detroit, Mich., and points within 25 miles of City Hall, Detroit, and extending to points in all States and the District of Columbia.

[SEAL] HAROLD D. McCoy,
Secretary.

[F.R. Doc. 60-7429; Filed, Aug. 9, 1960;
8:48 a.m.]

CUMULATIVE CODIFICATION GUIDE—AUGUST

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FEDERAL REGISTER



VOLUME 25 1934 NUMBER 155

Washington, Wednesday, August 10, 1960

Uniform Systems of Accounts
for Class C and Class D
Public Utilities and Licensees

FEDERAL POWER COMMISSION

[18 CFR Part 104]

[Docket No. R-184]

REVISION OF UNIFORM SYSTEM OF ACCOUNTS FOR CLASS C PUBLIC UTILITIES AND LICENSEES SUBJECT TO PROVISIONS OF FEDERAL POWER ACT

Notice of Proposed Rulemaking

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

2. It is proposed to amend, effective January 1, 1961, Part 104—Application of Uniform System of Accounts to Class C and Class D Public Utilities and Licensees of Subchapter C—Accounts, Federal Power Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations (CFR), to prescribe a revised Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act (Class C), as set forth below.

3. Part 104, §§ 104.1-104.11, of said Title and Code correspond to, and appear at, pages 195-219 of the Commission's pamphlet publication of its Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, effective January 1, 1937, (effective January 1, 1938 as to Class C and Class D Public Utilities and Licensees), Revised to September 1, 1957, as amended by Orders Nos. 204 and 216 issued respectively May 29, 1958 (23 F.R. 4160, June 12, 1958) and October 22, 1959 (24 F.R. 8790, October 29, 1959).¹ The aforesaid Uniform System of Accounts was prescribed by Order No. 43 of December 31, 1936, effective January 1, 1938, and was contained in the codification and reissuance of the Commission's general rules promulgated by Commission Order No. 141, December 11, 1947, effective January 1, 1948 (12 F.R. 8461). The proposed revised System of Accounts does not follow the numbering system required for the Code of Federal Regulations but follows the numbering system (accounts, instructions, definitions, etc.) used in the Commission's pamphlet edition referred to above.

4. Important developments in the electric power industry since the adoption in 1936 of the Uniform System of Accounts effective January 1, 1938, and the experience of the Commission over the past 24 years indicate the need for the System of Accounts herein proposed.

5. Heretofore, the Commission has not had a separately issued Uniform System of Accounts for Class C Public Utilities and Licensees, as such. The accounting requirements presently effective for small utilities (Class C and Class D), consist of an abridgment of the accounts for large public utilities and

licensees by means of account charts appearing as Appendix III of the pamphlet version of the Uniform System of Accounts. In these account charts, the condensed accounts applicable to the small utilities are indicated by bracketing related account titles applicable to Class A and Class B utilities. The result is that small utilities have had to work with an inordinate amount of textual materials designed for larger utilities. The objective of the proposed System of Accounts is to provide these smaller utilities with a simplified System of Accounts appropriate for the magnitude of their operations.

6. The proposed System of Accounts set forth below reflects the basic principles found in this Commission's recently issued revised Uniform System of Accounts for Class A and Class B Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, Docket No. R-173. The proposed System of Accounts introduces the following important improvements in this Commission's small utility accounting requirements:

- a. New size classifications for electric utilities;
- b. Certain necessary new accounts;
- c. New arrangement of balance sheet and certain other accounts to make them more informative;
- d. A reduced number of expense account classifications, mainly but not entirely by the discontinuance of segregations of numerous functional accounts as to labor and other expenses;
- e. Expanded items lists of account texts and clearer description of such items according to their functional nature, to facilitate use and consistency of respective account classifications; and
- f. Restatements of the accounting aspects of certain accounting interpretations issued in the past.

7. The System of Accounts herein proposed conforms basically to that for which a resolution was adopted at the convention of the National Association of Railroad and Utility Commissioners (NARUC) held in Phoenix, Arizona, on November 17, 1958, with a few modifications.

8. The System of Accounts proposed for adoption herein deviates from the NARUC system of accounts only to the extent necessary to make it more suitable to this Commission's accounting responsibilities but such deviations do not conflict with the basic principles of the NARUC system. The NARUC system of accounts gives consideration to the fact that the State commissions, in addition to jurisdiction over electric utility operations, ordinarily have jurisdiction over gas and water utility operations of joint utilities. Consequently, the balance sheet classifications for plant and accumulated provisions for depreciation and amortization (reserves) are identified in the NARUC system as "utility" accounts. In the FPC System of Accounts these balance sheet accounts and related instructions are directed to "electric" operations and summary accounts provided for the plant and "reserves" of other utility departments. Likewise, in the FPC version utility op-

erating income accounts are identified with the electric department and a special summary account provided for the operating income of other, non-electric, utility departments. Similar differences exist between present FPC and NARUC Systems of Accounts. The Commission's present report form, however, is coordinated for joint use by this and State commissions and necessary summary information of other utility department operations is therein disclosed. It is expected that this reporting arrangement will continue.

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

a. Definition 8, which defines cost for the purpose of the Uniform System of Accounts, includes a clarifying phrase to assure caution in the manner of application of Definition 8 to merger and pooling of interest transactions.

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

c. General Instruction 12 is an instruction relating to separate records required for licensed project plant, depreciation and maintenance expenses for licensed projects. This instruction is solely applicable to the FPC System of Accounts.

d. Electric Plant Account Instruction 4B(2), which relates to accumulated provisions for depreciation and amortization to be considered in accounting for electric plant purchased, is simplified in the FPC System of Accounts by the deletion of certain qualifying phrases which appear in the NARUC system. These deletions will, in the opinion of the staff, avoid administrative ambiguities.

e. Electric Plant Instruction 11 relating to common utility plant incorporates provisions of the present FPC System of Accounts, which were adopted by special order of the Commission, specifying account designations and accounting for plant acquisition adjustments and plant adjustments relating to common utility plant where such amounts are jointly applicable to the electric utility and other departments.

f. Account 264, Amortization Reserve—Federal, is not shown in the NARUC system. This account specifies that entries to the account may be made only as authorized or required by the Commission. Since this account relates only to amortization reserves of licensed projects, this account was properly not included in the NARUC system of accounts.

g. Account 271, Contributions in Aid of Construction, of the FPC System of Accounts provides for segregation of con-

¹ Insofar as the above sections are by their terms applicable to State and municipal licensees, that requirement was dispensed with by the Act of August 15, 1953, 67 Stat. 587.

tributions related to licensed projects, a requirement not necessary for the purposes of the NARUC system of accounts.

h. Accounts 281, 282, 283, Accumulated Deferred Income Taxes, are included in the FPC's proposed System of Accounts whereas no comparable accounts are provided by the NARUC system of accounts. Complementing these accounts are Accounts 410 and 411, added to the income accounts as authorized by this Commission's Order No. 204 amending the present System of Accounts.

i. Account 403, Depreciation Expense of the FPC System of Accounts, paragraph C, has been revised because the FPC instruction is addressed to electric utilities, whereas the NARUC system specified that the account be subdivided by utility departments.

9. The Commission recognizes that some burden and expense will have to be borne by the companies affected in connection with the transition from the present accounting requirements to the revised System of Accounts.

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

10. The appended proposed Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act (Class C) is proposed to be issued under the authority granted to the Federal Power Commission by the Federal Power Act, as amended, particularly sections 301, 304 and 309 thereof (49 Stat. 854, 855, and 858; 16 U.S.C. 825, 825c, and 825h).

11. Any interested person may submit to the Federal Power Commission not later than September 12, 1960, data, views, and comments in writing concerning the proposed revised System of Accounts. An original and nine copies should be filed of any such submittals. The Commission will consider these written submittals before acting upon the proposed System of Accounts.

MICHAEL J. FARRELL,
Acting Secretary.

AUGUST 3, 1960.

UNIFORM SYSTEM OF ACCOUNTS FOR CLASS C PUBLIC UTILITIES AND LICENSEES SUBJECT TO THE PRO- VISIONS OF THE FEDERAL POWER ACT

Definitions

When used in this system of accounts:

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

2. "Actually issued," as applied to securities issued or assumed by the utility, means those which have been sold to bona fide purchasers for a valuable consideration, those issued as dividends on stock, and those which have been issued in accordance with contractual require-

ments direct to trustees of sinking funds.

3. "Actually outstanding," as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility; provided, however, that securities held by trustees shall be considered as actually outstanding.

4. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

5. A. "Associated companies" means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.

B. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts; associated companies, contract or any other direct or indirect means.

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

7. "Commission" means the Federal Power Commission.

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

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

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

11. "Depreciation," as applied to depreciable electric plant, means the loss in service value not restored by current maintenance incurred in connection with the consumption or prospective retire-

ment of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

12. "Discount" as applied to the securities issued or assumed by the utility, means the excess of the par (stated value of no-par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

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

14. "Licensee" means any person, or State, licensed under the provisions of the Federal Power Act and subject to the Commission's accounting requirements under the terms of the license.

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

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

17. "Nominally issued," as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued direct to trustees of sinking funds in accordance with contractual requirements.

18. "Nominally outstanding," as applied to securities issued or assumed by the utility, means those which, after being actually issued, have been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired, provided, however, that securities held by trustees shall be considered as actually outstanding.

19. "Nonproject property" means the electric plant of a licensee which is not a part of the project property subject to a license issued by the Commission.

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

21. "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

22. "Premium," as applied to securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face value and interest or dividends accrued at the date of sale.

PROPOSED RULE MAKING

23. "Project" means complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights of way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit.

24. "Project property" means the property described in and subject to a license issued by the Commission.

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

26. "Public utility" means any person who owns or operates facilities subject to the jurisdiction of the Commission under the Federal Power Act. (See section 201(e) of said act.)

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

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

29. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

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

31. "Service value" means the difference between original cost and net salvage value of electric plant.

32. "State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States.

33. "Utility," as used herein and when not otherwise indicated in the context, means any public utility or licensee to which this system of accounts is applicable.

General Instructions

1. Classification of Utilities.

A. For the purpose of applying systems of accounts prescribed by the Com-

mission, electric utilities and licensees are divided into four classes, as follows:

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

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

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

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

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

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

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

2. Records.

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

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

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

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

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

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

3. Numbering System.

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

100-199	Assets and other debits.
200-299	Liabilities and other credits.
300-399	Plant accounts.
400-439	Income accounts.
440-459	Revenue accounts.
500-599	Production, transmission and distribution expenses.
900-949	Customer accounts, sales and general administrative expenses.

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

C. The numbers prefixed to account titles are to be considered as parts of the titles. Each utility, however, may adopt for its own purposes a different system of account numbers (see also general instruction 2D) provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts and in the various sources of original entry; however, if a utility uses a different group of account numbers and it is not practicable to show the prescribed account numbers in the various sources of original entry, such reference to the prescribed account numbers may be omitted from the various sources of original entry. Moreover, each utility using different account numbers for its own purposes shall keep readily available a list of such account numbers which it uses and a reconciliation of such account numbers with the account numbers provided herein. It is intended that the utility's records shall be so kept as to permit ready analysis by prescribed accounts (by direct reference to sources of original entry to the extent practicable) and to permit preparation of financial and operating statements directly from such records at the end of each accounting period according to the prescribed accounts.

4. Accounting Period.

Each utility in Class C shall keep its books on a monthly basis so that for each accounting period all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Commission.

5. Submittal of Questions.

To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the Commission for consideration and decision.

6. Item Lists.

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

7. Accounting to be on Accrual Basis.

A. The utility is required to keep its accounts on the accrual basis. This requires the inclusion in its accounts of

all known transactions of appreciable amount which affect the accounts. If bills covering such transactions have not been received or rendered, the amounts shall be estimated and appropriate adjustments made when the bills are received.

B. When payments are made in advance for items such as insurance, rents, taxes, or interest, the amount applicable to future periods shall be charged to account 165, Prepayments, and spread over the periods to which applicable by credits to account 165, and charges to the accounts appropriate for the expenditure.

8. Distribution of Pay and Expenses of Employees.

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

9. Payroll Distribution.

Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various accounts will be readily available. Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labor charged initially to clearing accounts so that the total labor cost may be classified among construction, cost of removal, electric operating functions (steam generation, hydraulic generation, transmission, distribution, etc.) and nonutility operations.

10. Operating Reserves.

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

11. Accounting for Other Departments.

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

12. Separate Accounts or Records for Each Licensed Project.

The accounts or records of each licensee shall be so kept as to show for each project under license:

(a) The actual legitimate original cost of the project, including the original cost (or fair value as determined under section 23 of the Federal Power Act) of the original project, the original cost of additions thereto and betterments thereof, credits for property retired from service, and credits for related contributions in aid of construction, as deter-

mined under the Commission's regulations.

(b) The charges for operation and maintenance of the project property directly assignable to the project;

(c) The credits and debits to the depreciation reserve account, and the balance in such account;

(d) The credits and debits to operating revenue, income, and surplus accounts that can be identified with and directly assigned to the project.

NOTE: The purpose of this instruction is to insure that accounts or records are currently maintained by each licensee from which reports may be made to the Commission for use in determining the net investment in each licensed project. The instruction covers only the debit and credit items appearing in the licensee's accounts which may be identified with and assigned directly to any licensed project. In the determination of the net investment as defined in section 3 of the Federal Power Act, allocations of items affecting the net investment may be required where direct assignment is not practicable.

Electric Plant Instructions

1. Electric Plant to be Recorded at Cost.

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

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. (See, however, definition 8). In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

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

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

2. Components of Construction Cost.

The cost of construction of property chargeable to the electric plant accounts

shall include, where applicable, the cost of labor, materials and supplies, transportation, work done by others for the utility, injuries and damages incurred in construction work, privileges and permits, special machine service, interest during construction and such portion of general engineering, administrative salaries and expenses, insurance, taxes and other analogous items as may be properly includible in construction costs.

3. Overhead Construction Costs.

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

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

4. Electric Plant Purchased or Sold.

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

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

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

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

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

(4) The amount of contributions in aid of construction applicable to the property acquired, shall be charged to account 102, Electric Plant Purchased or

Sold, and concurrently credited to account 271, Contributions in Aid of Construction, unless otherwise authorized by the Commission.

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

C. If property acquired in the purchase of an operating unit or system is in such physical condition when acquired that it is necessary substantially to rehabilitate it in order to bring the property up to the standards of the utility, the cost of such work, except replacements, shall be accounted for as a part of the purchase price of the property.

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

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

F. When electric plant constituting an operating unit or system is sold, conveyed, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate electric plant accounts, including amounts carried in account 114, Electric Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provision for depreciation and amortization and in account 252, Customer Advances for Construction, and account 271, Contributions in Aid of Construction, shall be charged to such accounts and the contra entries made to account 102, Electric Plant Purchased or Sold. Unless otherwise ordered by the Commission, the difference, if any, between (a) the net amount of debits and credits and (b) the consideration received for the property (less commissions and other expenses of making the sale), shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus. (See account 102, Electric Plant Purchased or Sold.)

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

5. Expenditures on Leased Property.

A. The cost of substantial initial improvements (including repairs, rearrangements, additions and betterments) made in the course of preparing for utility service property leased for a

period of more than one year, and the cost of subsequent substantial additions, replacements, or betterments to such property, shall be charged to the electric plant account appropriate for the class of property leased. If the service life of the improvements is terminable by action of the lease, the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to account 404, Amortization of Limited-Term Electric Plant. However, if the service life is not terminated by action of the lease but by depreciation proper, the cost of the improvements, less net salvage, shall be accounted for as depreciable plant.

B. If improvements made to property leased for a period of more than one year are of relatively minor cost, or if the lease is for a period of not more than one year, the cost of the improvements shall be charged to the account in which the rent is included, either directly or by amortization thereof.

6. Land and Land Rights.

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submersion rights, rights of way, and other like interests in land.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

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

D. Separate entries shall be made for the acquisition, transfer or retirement of each parcel of land, and each land right (except rights of way for distribution lines), or water right having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition.

E. Any difference between the amount received from the sale of land or land

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

F. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to utility operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

G. When the purchase of land for electric operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 105, Electric Plant Held for Future Use, or account 121, Nonutility Property, as appropriate.

H. Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land so as to apportion equitably the cost of each interest over the life thereof. (See account 404, Amortization of Limited-Term Electric Plant.)

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

1. Bulkheads, buried, not requiring maintenance or replacement.
2. Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
3. Clearing (first cost) the land of brush, trees, and debris, except in the case of account 332, Reservoirs, Dams and Waterways, and account 351 (Transmission Plant), Clearing Land and Rights of Way.
4. Condemnation proceedings, including court and counsel costs.
5. Consents and abutting damages, payment for.
6. Conveyancers' and notaries' fees.
7. Fees, commissions, and salaries to brokers, agents and others in connection with the acquisition of the land or land rights.
8. Grading the land, except when directly occasioned by the building of a structure.
9. Leases, cost of voiding upon purchase to secure possession of land.
10. Removing, relocating, or reconstructing property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
11. Retaining walls unless identified with structures.

12. Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.

13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.

14. Taxes assumed, accrued to date of transfer of title.

15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.

16. Appraisals prior to closing title.

17. Cost of dealing with distributees or legatees residing outside of the state or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of state tax.

18. Filing satisfaction of mortgage.

19. Documentary stamps.

20. Photographs of property at acquisition.

21. Fees and expenses incurred in the acquisition of water rights and grants.

22. Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.

23. Sidewalks and curbs constructed by the utility on public property.

24. Labor and expenses in connection with securing right of way, where performed by company employees and company agents.

7. Structures and Improvements.

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

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

C. Minor buildings and structures, such as valve towers, patrolmen's towers, telephone stations, etc., which are used directly in connection with or form a part of a reservoir dam, waterway, etc., shall be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly.

D. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

E. Where the structure of a dam forms also the foundation of the power plant building, such foundation shall be considered a part of the dam.

F. The cost of disposing of materials excavated in connection with construction of structures shall be considered

as a part of the cost of such work, except as follows: (a) When such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) When such material is sold, the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.

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

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

1. Architects' plans and specifications including supervision.

2. Athletic field structures and improvements.

3. Boilers, furnaces, piping, wiring fixtures, and machinery for heating, lighting, signaling, ventilating, and air conditioning systems, plumbing, vacuum cleaning systems, incinerator and smoke pipe, flues, etc.

4. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.

5. Coal bins and bunkers.

6. Commissions and fees to brokers, agents, architects and others.

7. Conduit (not to be removed) with its contents.

8. Damages to abutting property during construction.

9. Drainage and sewerage systems.

10. Elevators, cranes, hoists, etc., and the machinery for operating them.

11. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdam during construction, test borings.

12. Fences and fence curbs (not including protective fences isolating items of equipment, which shall be charged to the appropriate equipment account).

13. Fire protection systems when forming a part of a structure.

14. Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.

15. Grading and clearing when directly occasioned by the building of a structure.

16. Intrasite communication system, poles, pole fixtures, wires and cables.

17. Landscaping, lawns, shrubbery, etc.

18. Leases, voiding upon purchase to secure possession of structures.

19. Leased property, expenditures on.

20. Lighting fixtures and outside lighting system.

21. Painting, first cost.

22. Permanent paving, concrete, brick, flagstone, asphalt, etc., within the property lines.

23. Permits and privileges.

24. Platforms, railings and gratings when constructed as a part of a structure.

25. Retaining walls except when identified with land.

26. Roadways, railroads, bridges, and trestles intrasite, except railroads provided for in equipment accounts.

27. Sidewalks, culverts, curbs and streets constructed by the utility on its property.

28. Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steel work of a building.

29. Storage facilities constituting a part of a building.

30. Subways, areaways, and tunnels, directly connected to and forming part of a structure.

31. Tanks, constructed as part of a building or as a distinct structural unit.

32. Temporary shanties and other facilities used during construction (net cost).

33. Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.

34. Vaults constructed as part of a building.

35. Water basins or reservoirs.

36. Wharves.

Note: Structures and Improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

8. Equipment.

A. The cost of equipment chargeable to the electric plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.

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

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

D. The equipment accounts shall include the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The utility shall furnish the Commission with full particulars of and justification for any test or experimental run extending beyond a period of thirty days.

E. The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense ac-

counts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate electric plant account.

9. Additions and Retirements of Electric Plant.

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

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

(1) When a retirement unit is added to electric plant, the cost thereof shall be added to the appropriate electric plant account, except that when units are acquired in the acquisition of any electric plant constituting an operating system, they shall be accounted for as provided in electric plant instruction 4.

(2) When a retirement unit is retired from electric plant, with or without replacement, the book cost thereof shall be credited to the electric plant account in which it is included, determined in the manner set forth in paragraph D, below. If the retirement unit is of a depreciable class the book cost of the unit retired and credited to electric plant shall be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account.

C. The addition and retirement of minor items of property shall be accounted for as follows:

(1) When a minor item of property which did not previously exist is added to plant, the cost thereof shall be accounted for in the same manner as for the addition of a retirement unit, as set forth in paragraph B(1), above, if a substantial addition results, otherwise the charge shall be to the appropriate maintenance expense account.

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

(3) When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate electric plant account.

D. The book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

E. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any accumulated provision for depreciation or amortization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be included in account 435, Miscellaneous Debits to Surplus, or account 434, Miscellaneous Credits to Surplus, as appropriate. If the land is not used in utility service but is retained by the utility, the book cost shall be charged to account 105, Electric Plant Held for Future Use, or account 121, Nonutility Property, as appropriate.

F. The book cost less net salvage of electric plant retired shall be charged in its entirety to account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant. Any amounts which, by approval or order of the Commission, are charged to account 182, Extraordinary Property Losses, shall be credited to account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant.

10. Transfers of Property.

When property is transferred from one electric plant account to another, from one utility department to another, such as from electric to gas, from one operating division or area to another, to or from Electric Plant in Service, Electric Plant Leased to Others, Electric Plant Held for Future Use, and Nonutility Property, the transfer shall be recorded by transferring the original cost thereof from one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provision for depreciation or amortization shall be transferred in accordance with the segregation of such accounts.

11. Common Utility Plant.

A. If the utility is engaged in more than one utility service such as electric, gas, and water, and any of its utility

plant is used in common for several utility services or for other purposes to such an extent and in such a manner that it is impracticable to segregate it by utility services currently in the accounts, such property, with the approval of the Commission, may be designated and classified as "common utility plant."

B. The book amount of utility plant designated as common plant shall be included in account 118, Other Utility Plant, and if applicable in part to the electric department, shall be segregated and accounted for in subaccounts as electric plant is accounted for in accounts 101 to 107, inclusive, and electric plant adjustments in account 116; any amounts classifiable as common plant acquisition adjustments or common plant adjustments shall be subject to disposition as provided in paragraphs C and B of accounts 114 and 116, respectively, for amounts classified in those accounts. The original cost of common utility plant in service shall be classified according to detailed utility plant accounts appropriate for the property.

C. The utility shall be prepared to show at any time and to report to the Commission annually, or more frequently, if required, and by utility plant accounts (301 to 399) the following: (1) The book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

D. The accumulated provision for depreciation and amortization of the utility shall be segregated so as to show the amount applicable to the property classified as common utility plant.

E. The expenses of operation, maintenance, rents, depreciation and amortization of common utility plant shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the common utility plant shall be supported in such manner as to reflect readily the basis of allocation used.

12. Transmission and Distribution Plant.

For the purpose of this system of accounts:

A. "Transmission system" means:

(1) All land, conversion structures, and equipment employed at a primary source of supply (i.e., generating station, or point of receipt in the case of purchased power) to change the voltage or frequency of electricity for the purpose of its more efficient or convenient transmission;

(2) All land, structures, lines, switching and conversion stations, high tension apparatus, and their control and protective equipment between a generating or receiving point and the entrance to a distribution center or wholesale point; and

(3) All lines and equipment whose primary purpose is to augment, integrate or tie together the sources of power supply.

B. "Distribution system" means all land, structures, conversion equipment, lines, line transformers, and other facilities employed between the primary source of supply (i.e., generating station, or

point of receipt in the case of purchased power) and of delivery to customers, which are not includible in transmission system, as defined in paragraph A, whether or not such land, structures, and facilities are operated as part of a transmission system or as part of a distribution system.

NOTE: Stations which change electricity from transmission to distribution voltage shall be classified as distribution stations.

C. Where poles or towers support both transmission and distribution conductors, the poles, towers, anchors, guys, and rights of way shall be classified as transmission system. The conductors, cross-arms, braces, grounds, tiewire, insulators, etc., shall be classified as transmission or distribution facilities, according to the purpose for which used.

D. Where underground conduit contains both transmission and distribution conductors, the underground conduit and right of way shall be classified as distribution system. The conductors shall be classified as transmission or distribution facilities according to the purpose for which used.

E. Land (other than rights of way) and structures used jointly for transmission and distribution purposes shall be classified as transmission or distribution according to the major use thereof.

Operating Expense Instructions

1. Maintenance.

A. The cost of maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads and other expenses incurred in maintenance work. A list of work operations applicable generally to electric plant is included hereunder. Other work operations applicable to specific classes of plant are listed in functional maintenance expense accounts.

B. Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

C. If the book cost of any property is carried in account 102, Electric Plant Purchased or Sold; the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other utility plant in service accounts. Maintenance of property leased from others shall be treated as provided in operating expenses instruction 2.

ITEMS

1. Direct field supervision of maintenance.
2. Inspecting, testing, and reporting on condition of plant specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have been made.
3. Work performed specifically for the purpose of preventing failure, restoring service ability or maintaining life of plant.
4. Rearranging and changing the location of plant not retired.
5. Repairing for reuse materials recovered from plant.
6. Testing for, locating and clearing trouble.

7. Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.

8. Replacing or adding minor items of plant which do not constitute a retirement unit. (See electric plant instruction 9.)

2. Rents.

A. The rent expense accounts provided under the several functional groups of expense accounts shall include all rents, including taxes paid by the lessee on leased property, for property used in utility operations, except (1) minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be includible in plant accounts 391 to 398, inclusive, which shall be treated as an expense item and included in the appropriate functional account and (2) rents which are chargeable to clearing accounts, and distributed therefrom to the appropriate account. If rents cover property used for more than one function, such as production and transmission, or by more than one department, the rents shall be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.

B. When a portion of property or equipment rented from others for use in connection with utility operations is subleased, the revenue derived from such subleasing shall be credited to the rent revenue account in operating revenues; provided, however, that in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

C. The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

D. The cost incurred by the lessee of additions and replacements to electric plant leased from others shall be accounted for as provided in electric plant instruction 5.

Balance Sheet Accounts

ASSETS AND OTHER DEBITS

1. UTILITY PLANT

- 101 Electric plant in service.
- 102 Electric plant purchased or sold.
- 103 Electric plant in process of reclassification.
- 104 Electric plant leased to others.
- 105 Electric plant held for future use.
- 107 Construction work in progress—Electric.
- 110 Accumulated provision for depreciation and amortization of electric plant.
- 114 Electric plant acquisition adjustments.
- 116 Other electric plant adjustments.
- 118 Other utility plant.
- 119 Accumulated provision for depreciation and amortization of other utility plant.

2. OTHER PROPERTY AND INVESTMENTS

- 121 Nonutility property.
- 122 Accumulated provision for depreciation and amortization of nonutility property.
- 124 Other investments.
- 125 Special funds.

3. CURRENT AND ACCRUED ASSETS

- 131 Cash and working funds.
- 132 Temporary cash investments.

- 141 Notes receivable.
- 142 Customer accounts receivable.
- 143 Other accounts receivable.
- 144 Accumulated provision for uncollectible accounts—Cr.
- 145 Notes receivable from associated companies.
- 146 Accounts receivable from associated companies.
- 150 Materials and supplies.
- 165 Prepayments.
- 170 Other current and accrued assets.

4. DEFERRED DEBITS

- 181 Unamortized debt discount and expense.
- 182 Extraordinary property losses.
- 183 Other deferred debits.

LIABILITIES AND OTHER CREDITS

5. PROPRIETARY CAPITAL

- 201 Common capital stock.
- 204 Preferred capital stock.
- 207 Other paid-in capital.
- 212 Installments received on capital stock.
- 213 Discount on capital stock.
- 214 Capital stock expense.
- 215 Appropriated earned surplus.
- 216 Unappropriated earned surplus.
- 217 Reacquired capital stock.

6. LONG-TERM DEBT

- 221 Bonds.
- 223 Advances from associated companies.
- 224 Other long-term debt.

7. CURRENT AND ACCRUED LIABILITIES

- 231 Notes payable.
- 232 Accounts payable.
- 233 Notes payable to associated companies.
- 234 Accounts payable to associated companies.
- 235 Customer deposits.
- 236 Taxes accrued.
- 237 Interest accrued.
- 238 Other current and accrued liabilities.

8. DEFERRED CREDITS

- 251 Unamortized premium on debt.
- 252 Customer advances for construction.
- 253 Other deferred credits.

9. OPERATING RESERVES

- 261 Property insurance reserve.
- 262 Injuries and damages reserve.
- 263 Pensions and benefits reserve.
- 264 Amortization reserve—Federal.
- 265 Miscellaneous operating reserves.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

- 271 Contributions in aid of construction.

11. ACCUMULATED DEFERRED INCOME TAXES

- 281 Accumulated deferred income taxes—Accelerated amortization.
- 282 Accumulated deferred income taxes—Liberalized depreciation.
- 283 Accumulated deferred income taxes—Other.

Balance Sheet Accounts

ASSETS AND OTHER DEBITS

1. UTILITY PLANT

- 101 Electric plant in service.

A. This account shall include the original cost of electric plant, included in the plant accounts prescribed herein, owned and used by the utility in its electric operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees.

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be maintained in subdivisions

separate and distinct from those relating to owned property. (See electric plant instruction 5.)

102 Electric plant purchased or sold.

A. This account shall be charged with the cost of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts in accordance with electric plant instruction 4.

B. Within six months from the date of acquisition or sale of property recorded herein, there shall be filed with the Commission the proposed journal entries to clear from this account the amounts recorded herein.

103 Electric plant in process of reclassification.

A. This account shall include temporarily the balance of electric plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the electric plant accounts herein prescribed (301-399), but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified electric plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

104 Electric plant leased to others.

A. This account shall include the original cost of electric plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts (301-399) prescribed for utility plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

105 Electric plant held for future use.

A. This account shall include the original cost of property owned and held for future use in electric service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in electric service, but held for such service in the future under a definite plan, and property previously used by the utility in electric service, but retired from such service and held pending its reuse in the future, under a definite plan, in electric service.

B. The property included in this account shall be classified according to the detailed accounts (301-399) prescribed for electric plant in service and the account shall be maintained in such detail as though the property were in service.

NOTE: Materials and supplies, meters and transformers held in reserve, or normal spare

capacity of plant in service shall not be included in this account.

107 Construction work in progress—Electric.

This account shall include the total of the balances of work orders for electric plant in process of construction but not ready for service at the date of the balance sheet.

110 Accumulated provision for depreciation and amortization of electric plant.

A. This account shall be credited with the following:

(1) Amounts charged to account 403, Depreciation Expense, to account 404, Amortization of Limited-Term Electric Plant, to account 405, Amortization of Other Electric Plant, to account 413, Expenses of Electric Plant Leased to Others, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or to clearing accounts for currently accruing depreciation and amortization.

(2) Amounts charged to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation or amortization.

(3) Amounts of depreciation applicable to electric properties acquired as operating units or systems. (See electric plant instruction 4.)

(4) Amounts chargeable to account 182, Extraordinary Property Losses, when authorized by the Commission.

(5) Amounts of depreciation applicable to electric plant donated to the utility.

B. At the time of retirement of electric plant, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirements, cost of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate subaccount hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

C. For general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for depreciation. This account shall be subdivided to show the amount applicable to Electric Plant in Service, Electric Plant Leased to Others, and Electric Plant Held for Future Use. These subsidiary records shall show the current credits and debits to this account in sufficient detail to show separately for each subdivision, (1) the amount of accrual for depreciation or amortization, (2) the book cost of property retired, (3) cost of removal, (4) salvage and (5) other items, including recoveries from insurance.

D. When transfers of plant are made from one electric plant account to another, or from or to nonutility property, the accounting shall be as provided in electric plant instruction 10.

E. The utility is restricted in its use of the accumulated provision for depreciation to the purposes set forth above. It shall not transfer any portion

of this account to surplus or make any other use thereof without authorization by the Commission.

114 Electric plant acquisition adjustments.

A. This account shall include the difference between (a) the cost to the accounting utility of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provision for depreciation and amortization and contributions in aid of construction with respect to such property.

B. With respect to acquisitions after the effective date of this system of accounts, this account shall be subdivided so as to show the amounts included herein for each property acquisition and to electric plant in service, electric plant held for future use, and electric plant leased to others. (See electric plant instruction 4.)

C. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may approve or direct.

116 Other electric plant adjustments.

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of electric plant to the extent that such difference is not properly includible in account 114, Electric Plant Acquisition Adjustments.

B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of electric plant.

118 Other utility plant.

This account shall include the balances in accounts for utility plant, other than electric plant, such as gas, railway, etc.

119 Accumulated provision for depreciation and amortization of other utility plant.

This account shall include the accumulated provision for depreciation and amortization applicable to utility property other than electric plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.

A. This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 105, Electric Plant Held for Future Use.

B. This account shall be subdivided so as to show the amount of property used in operations which are nonutility in character but nevertheless constitute a distinct operating activity of the company (such as operation of an ice depart-

ment where such activity is not classed as a utility) and the amount of miscellaneous property not used in operations. The records in support of each subaccount shall be maintained so as to show an appropriate classification of the property.

122 Accumulated provision for depreciation and amortization of non-utility property.

This account shall include the accumulated provision for depreciation and amortization applicable to nonutility property.

124 Other investments.

A. This account shall include the book cost of investments in securities issued or assumed by other companies, investment advances to such companies, and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

B. The cost of capital stock of the utility reacquired by it under a definite plan for resale pursuant to authorization by the Board of Directors may, if permitted by statutes, be included in a separate subdivision of this account. (See also account 207, Other Paid-in Capital, and account 217, Reacquired Capital Stock.)

C. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

NOTE A: Securities owned and pledged shall be included in this account, but securities held in special deposits or in special funds shall be included in appropriate deposit or fund accounts. A complete record of securities pledged shall be maintained.

NOTE B: Securities held as temporary cash investments shall not be included in this account.

NOTE C: The utility may write down the cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded but a permanent impairment in the value of securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to account 435, Miscellaneous Debits to Surplus, or to an appropriate account for provisions for loss in value established as a separate subdivision of this account.

125 Special funds.

This account shall include the amount of cash and book cost of investments which have been segregated in special funds for bond retirements, property additions and replacements, insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

NOTE A: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees benefits shall not be included in this account.

NOTE B: Licensees under the Federal Power Act which are required to establish an amortization fund under terms of the license

shall provide a special subdivision of this account for the purpose of accounting for and identifying the cash, investments or other specific assets associated with account 264, Amortization Reserve—Federal.

3. CURRENT AND ACCRUED ASSETS

Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are provided. There shall not be included in the group of accounts designated as current and accrued assets any item, the amount or collectibility of which is not reasonably assured, unless an adequate provision for possible loss has been made therefor. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

131 Cash and working funds.

This account shall include the amount of cash on hand and in banks and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

NOTE: Special Deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 125, Special Funds.

132 Temporary cash investments.

A. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

141 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, excepting, however, notes receivable from associated companies. (See account 132, Temporary Cash Investments, and account 145, Notes Receivable from Associated Companies.)

NOTE: The face amount of notes receivable, discounted, sold, or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142 Customer accounts receivable.

A. This account shall include amounts due from customers for utility service,

and for merchandising, jobbing and contract work. This account shall not include amounts due from associated companies.

B. This account shall be maintained so as to permit ready segregation of the amounts due for merchandising, jobbing and contract work.

143 Other accounts receivable.

A. This account shall include amounts due the utility upon open accounts, other than amounts due from associated companies and from customers for utility services and merchandising, jobbing and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See account 131, Cash and Working Funds.)

144 Accumulated provision for uncollectible accounts—Cr.

A. This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 904, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-offs of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

Utility customers.
Merchandising, jobbing and contract work.
Officers and employees.
Other.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B: If provisions for uncollectible notes receivable or for uncollectible receivables from associated companies are necessary, separate subaccounts therefor shall be established under the account in which the receivable is carried.

145 Notes receivable from associated companies.

146 Accounts receivable from associated companies.

These accounts shall include notes and drafts upon which associated companies are liable, and which mature and are expected to be paid in full not later than one year from date of issue, together with any interest thereon, and debit balances subject to current settlement in open accounts with associated companies. Items which do not bear a specified due date but which have been carried for more than twelve months and items which are not paid within twelve months from due date shall be transferred to account 124, Other Investments.

NOTE A: On the balance sheet, accounts receivable from an associated company may be set off against accounts payable to the same company.

NOTE B: The face amount of notes receivable discounted, sold or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

150 Materials and supplies.

A. This account shall include the cost of fuel on hand and unapplied materials and supplies (except line transformers and meters). It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance, or accumulated depreciation provision, respectively, and included herein as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.

(2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

(3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realized therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative average, first-in first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

C. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged.

ITEMS

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customs duties and excise taxes.

4. Costs of inspection and special tests prior to acceptance.

5. Insurance and other directly assignable charges.

NOTE A: Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account and distributed therefrom to the appropriate account.

NOTE B: When materials and supplies are purchased for immediate use, they need not be carried through this account but may be charged directly to the appropriate utility plant or expense account.

165 Prepayments.

A. This account shall include the amount of rents, taxes, insurance, interest and like disbursements made in advance of the period to which they apply. As the periods covered by such prepayments expire, credit this account and charge the proper operating expense or other account with the amount applicable to the period.

B. This account shall be kept or supported in such manner as to disclose the amount of each class of prepayments.

170 Other current and accrued assets.

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.

A. This account shall include the total of the unamortized balance of discount and expense for all classes of long-term debt.

B. The discount and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be charged to account 428, Amortization of Debt Discount and Expense. The utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

182 Extraordinary property losses.

A. When authorized or directed by the Commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provisions for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all, or a portion, of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Commission for permission to use this account shall be accompanied by a statement giving a

complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges and other pertinent information.

183 Other deferred debits.

A. This account shall include the following classes of items:

(1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plant. If the work is abandoned, the charge shall be to account 435, Miscellaneous Debits to Surplus, or to the appropriate operating expense accounts.

(2) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

(3) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

(4) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein.

5. PROPRIETARY CAPITAL

201 Common capital stock.

204 Preferred capital stock.

A. These accounts shall include the par value or the stated value of stock without par value if such stock has a stated value, and if not, the cash value of the consideration received for such non-par stock, of each class of capital actually issued, including the par or stated value of such capital stock in account 124, Other Investments, and account 217, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more or less than the par or stated value of any stock having a par or stated value, the difference shall be credited or debited, as the case may be, to the premium or discount account for the particular class and series.

C. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

NOTE: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment shall be credited to account 207, Other Paid-in Capital; provided, however, that the credit shall be made to account 213, Discount on Capital Stock, to the extent of any remaining balance of discount on the issue of stock.

207 Other paid-in capital.

This account shall include the balance of all other credits for paid-in capital not includible in the capital stock accounts, and shall be kept so as to show the source of the credits includible herein.

ITEMS

1. Premium received on original issues of capital stock.
2. Donations received from stockholders or reduction of debt of the utility, and the cash value of other assets received as a donation.
3. Reduction in par or stated value of capital stock.
4. Gain on resale or cancellation of reacquired capital stock.
5. Miscellaneous paid-in capital.

NOTE: Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expense of another issue of the same class or series.

212 Installments received on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan for subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and the appropriate capital stock account credited with the par or stated value of such stock. Any discount or premium on an original issue shall be included in the appropriate discount or premium account.

213 Discount on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock all discount on the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues.

B. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-in Capital, provided, however, that the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock discount in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

214 Capital stock expense.

A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the

original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-in Capital, to the extent of gains on resale or cancellation of reacquired stock includible therein; provided, however, that the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207, from such source.

C. The utility may amortize the balance carried in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

NOTE: Expenses in connection with the acquisition or resale of the utility's capital stock shall not be included herein.

215 Appropriated earned surplus.

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216 Unappropriated earned surplus.

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include items includible in any subaccount of account 207, Other Paid-in Capital.

217 Reacquired capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock, the cost of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is retired or canceled, the difference between its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 207, Other Paid-in Capital, provided, however, that debits shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that they exceed the balance of gains on resale or cancellation of reacquired stock included in account 207.

C. When reacquired capital stock is resold by the utility, the difference between the amount received on the resale of the stock, less expenses incurred in the resale, and the cost of the stock included in this account shall be accounted for as outlined in paragraph B.

NOTE A: See account 124, Other Investments, for permissive accounting treatment

of stock reacquired under a definite plan for resale.

NOTE B: The accounting for reacquired stock shall be as prescribed herein unless otherwise specifically required by statute.

6. LONG-TERM DEBT

221 Bonds.

A. Separate accounts shall be maintained hereunder for unmatured bonds of each class and series. Each such account shall be subdivided so as to show, (1) the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also the face value of such bonds issued by others, the payment of which has been assumed by the utility, (2) the face value of bonds actually issued or assumed by the utility and reacquired by it and not paid, retired, or canceled. The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

B. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

223 Advances from associated companies.

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement which are includible in account 233, Notes Payable to Associated Companies, or account 234, Accounts Payable to Associated Companies.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

224 Other long-term debt.

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessment for public improvement, notes and unsecured certificates of indebtedness now owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption.

B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

NOTE: Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedure set forth in account 221, Bonds.

7. CURRENT AND ACCRUED LIABILITIES

Current and accrued liabilities are those obligations which have either matured or which become due within one year from the date thereof; except, how-

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ever, bonds, receivers' certificates and similar obligations which shall be classified as long-term debt until date of maturity; accrued taxes, such as income taxes, which shall be classified as accrued liabilities even though payable more than one year from date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities. If a liability is due more than one year from date of issuance or assumption by the utility, it shall be credited to a long-term debt account appropriate for the transaction, except, however, the current liabilities previously mentioned.

231 Notes payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than associated companies.

232 Accounts payable.

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

233 Notes payable to associated companies.**234 Accounts payable to associated companies.**

These accounts shall include amounts owing to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open accounts payable on demand or not more than one year from date of issue or creation.

NOTE: Exclude from these accounts notes and accounts which are includible in account 223, Advances from Associated Companies.

235 Customer deposits.

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236 Taxes accrued.

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

C. Accruals for taxes shall be based upon the net amount payable after credit

for any discounts and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

237 Interest accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

238 Other current and accrued liabilities.

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

ITEMS

1. Dividends declared but not paid.
2. Matured long-term debt.
3. Matured interest.
4. Taxes collected through payroll deductions or otherwise pending transmittal to the proper taxing authority.

8. DEFERRED CREDITS**251 Unamortized premium on debt.**

A. This account shall include the total of the unamortized balance of premium and expense for all classes of long-term debt, including receivers' certificates.

B. The premium and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be credited to account 429, Amortization of Premium on Debt—Credit.

252 Customer advances for construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

253 Other deferred credits.

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

9. OPERATING RESERVES**261 Property insurance reserve.**

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own prop-

erty or property leased from others. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

262 Injuries and damages reserve.

A. This account shall be credited with amounts charged to account 925, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property neither owned nor held under lease by the utility.

B. When liability for any injury or damage is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

NOTE: Recoveries or reimbursements for losses charged to this account shall be credited hereto; the cost of repairs to property of others if provided for herein, shall be charged to this account.

263 Pensions and benefits reserve.

A. This account shall include provisions made by the utility and amounts contributed by employees for pensions, accident and death benefits, savings, relief, hospital and other provident purposes, where the funds represented by the reserve are included in the assets of the utility either in general or in segregated fund accounts.

B. Amounts paid by the utility for the purposes for which this reserve is established shall be charged hereto.

C. A separate account shall be kept for each kind of reserve included herein.

NOTE: If employee pension or benefit plan funds are not included among the assets of the utility but are held by outside trustees, payments into such funds, or accruals therefor, shall not be included in this account.

264 Amortization reserve—Federal.

A. This account shall be credited with such amounts as are appropriated or set aside by a licensee from earnings for amortization purposes in accordance with the requirements of a license; also interest or other income from investments of a special amortization fund established pursuant to license requirements. (See account 125, Special Funds.)

B. This account shall be debited with only such items or amounts as the Commission may require or approve.

265 Miscellaneous operating reserves.

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of

each separate reserve and the nature and amounts of the debits and credits thereto.

NOTE: This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits for which should be carried in account 215, Appropriated Earned Surplus.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

A. This account shall include donations or contributions in cash, services, or property from States, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without the approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) States, (b) municipalities, (c) customers and (d) others, and the amount applicable to each utility department.

D. This account shall be subdivided as follows:

Contributions in Aid of Construction—General.

Contributions in Aid of Construction—Federal.

Contributions in Aid of Construction—General shall include all the donations to the various utility departments except those which are made in respect to a licensed project. Contributions in Aid of Construction—Federal shall be kept only by licensees. There shall be included therein donations from States, municipalities, individuals or others which have been expended for plant, or which are included in the plant accounts, of a licensed project, referred to in section 3, subsection (13) of the Federal Power Act, 49 Stat. 839; 16 U.S.C. 796(13). This treatment shall not affect the determination of actual legitimate original cost or net investment in accordance with the Act.

NOTE: There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. (See account 252, Customer Advances for Construction.)

11. ACCUMULATED DEFERRED INCOME TAXES

Public utilities and licensees shall use the accounts provided below for prior accumulations of deferred taxes on income and for additional provisions. A copy of the order or other authorization to practice deferred tax accounting of the state public service commission also having jurisdiction shall be filed with the Commission, or, in the absence of a state public service commission having accounting jurisdiction, the public utility or licensee shall file with this Commission a copy of its plan of accounting for deferred taxes on income. The filing of such order or other authorization, or accounting plan, shall constitute permis-

sion for additional accumulations of deferred taxes on income. Account 283 is provided for use of those public utilities and licensees which have obtained permission of the Commission for specific types of deferrals on taxes on income other than with respect to accelerated amortization or liberalized depreciation.

NOTE A: The text of the accounts below are designed primarily to cover deferrals of federal income taxes pursuant to provisions of the Internal Revenue Code of 1954 but the accounts are also applicable to deferrals of State taxes on income.

NOTE B: Public Utilities and Licensees which, in addition to an electric utility department, have another utility department, gas, water, etc., and which have deferred taxes on income with respect thereto shall classify such deferrals in the accounts provided below under subdivisions for each utility department.

281 Accumulated deferred income taxes—Accelerated amortization.

A. This account shall be credited and account 410, Provision for Deferred Income Taxes, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of accelerated (5-year) amortization of certified defense facilities in computing such taxes, as permitted by section 168 of the Internal Revenue Code of 1954 (section 124A of previous Internal Revenue Code), as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes according to the straight line or other nonaccelerated depreciation method and appropriate estimated useful life for such property.

B. This account shall be debited and account 411 Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of accelerated (5-year) amortization of certified defense facilities instead of nonaccelerated or nonliberalized depreciation otherwise appropriate for income tax purposes, and deferral of taxes in such prior years as described in paragraph A, above. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable for the current year of the unavailability of a depreciation deduction for tax purposes, or a reduced amount, with respect to any depreciable property for which accelerated amortization was used in prior years, as compared to the depreciation deduction otherwise available and appropriate for such property, considering its estimated useful life, according to the depreciation method ordinarily used by the utility for similar property in computing depreciation for tax purposes by a nonaccelerated or nonliberalized depreciation method.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the facilities of each certification or authorization of accelerated amortization for tax purposes.

D. The use of this account and the accounting described above are not man-

datory for any utility, which in accordance with a consistent policy elects not to follow deferred tax accounting even though accelerated amortization is used in computing taxes on income. If, however, deferred tax accounting is initiated with respect to any certified defense facility, the accounting shall not be suspended or discontinued on the property covered by that certificate, without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in this account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining balance of accumulated deferred taxes with respect to any certified defense facility for which deferred tax accounting has been followed, shall, upon expiration of the estimated useful life of the facility on which deferred tax calculations were based, or upon retirement of such facility or predominant part thereof, be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise be applied as the Commission may authorize or direct.

282 Accumulated deferred income taxes—Liberalized depreciation.

A. This account shall be credited and account 410, Provision for Deferred Income Taxes, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of liberalized depreciation in computing such taxes, as permitted by Section 167 of the Internal Revenue Code of 1954, as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes for similar property of the same estimated useful life according to the straight line or other nonliberalized method of depreciation.

B. This account shall be debited and account 411, Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of liberalized depreciation for income tax purposes, and deferral of taxes in such prior years as described in paragraph A above. Such debit to this account and credit to account 411, shall, in general, represent the effect on taxes payable for the current year of the smaller amount of depreciation permitted for tax purposes for the current year with respect to any depreciable property for which liberalized depreciation was used in prior years, as compared to the depreciation deduction otherwise appropriate and available for similar property of the same estimated useful life according to the straight line or other nonliberalized depreciation method ordinarily used by the utility in computing depreciation for tax purposes.

C. Records with respect to entries to this account, as described above, and account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the plant additions of each vintage year for

each class, group, or unit as to which different liberalized depreciation methods and estimated useful lives have been used. The underlying calculations to segregate and associate deferred tax amounts with the respective vintage years may be based on reasonable methods of approximation, if necessary, consistently applied.

D. The use of this account and the accounting described above are not mandatory for any utility, which in accordance with a consistent policy, elects not to follow deferred tax accounting even though liberalized depreciation is used in computing taxes on income. If however, deferred tax accounting is initiated with respect to any property such accounting shall not be discontinued on that property, without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining deferred tax balance with respect to any year's plant additions or subdivisions thereof for which liberalized depreciation accounting has been followed upon retirement from service of such property or predominant portion thereof, or upon expiration of the estimated useful life on which the depreciation calculations for tax purposes are based, shall be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise applied as the Commission may authorize or direct.

283 Accumulated deferred income taxes—Other.

A. This account, when its use has been authorized by the Commission for specific types of tax deferrals shall be credited and account 410, Provision for Deferred Income Taxes, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the current use of deductions other than accelerated amortization or liberalized depreciation in the computation of income taxes, which deductions for general accounting purposes will not be fully reflected in the utility's determination of annual net income until subsequent years.

B. This account, when its use has been authorized by the Commission, shall be debited and account 411, Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of deferral of taxes on income in previous years, as provided by paragraph A. above, because of difference in timing for tax purposes of particular income deductions from that recognized by the utility for general accounting purposes, other than with respect to accelerated amortization or liberalized depreciation. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable in the current year of the smaller deduction permitted for tax purposes as compared to the amount recog-

nized in the utility's general accounts with respect to the item or class of items for which deferred tax accounting by the utility was authorized by the Commission.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation with respect to each annual amount of the item or class of items, other than accelerated amortization or liberalized depreciation, for which tax deferral accounting by the utility is authorized by the Commission.

D. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to surplus or make any use thereof except as provided in the text of this account, without prior approval of the Commission. Any remaining deferred tax account balance with respect to an amount for any prior year's tax deferral, the amortization of which or other recognition in the utility's income accounts has been completed, or other disposition made, shall be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise disposed of as the Commission may authorize or direct.

NOTE: In determining appropriate use of this account as a basis of request to the Commission for authorization of its use, consideration shall be given to the relative importance of the amount involved, and to other items in the utility's accounts where "prepaid tax accounting" may be appropriate such as situations (a) where the time of taking a deduction in computing taxes on income is such that the tax deduction must be delayed or applied to a series of future years as opposed to earlier recognition of such item in determination of income in the general accounts of the utility, or (b) where inclusion of an income item is required for tax purposes but is to be recognized in whole or in part in the utility's income accounts of a subsequent year or years.

Electric Plant Accounts

1. INTANGIBLE PLANT

- 301 Organization.
- 302 Franchises and consents.
- 303 Miscellaneous intangible plant.

2. PRODUCTION PLANT

A. STEAM PRODUCTION

- 310 Land and land rights.
- 311 Structures and improvements.
- 312 Boiler plant equipment.
- 313 Engines and engine driven generators.
- 314 Turbogenerator units.
- 315 Accessory electric equipment.
- 316 Miscellaneous power plant equipment.

B. HYDRAULIC PRODUCTION

- 330 Land and land rights.
- 331 Structures and improvements.
- 332 Reservoirs, dams and waterways.
- 333 Water wheels, turbines and generators.
- 334 Accessory electric equipment.
- 335 Miscellaneous power plant equipment.
- 336 Roads, railroads and bridges.

C. OTHER PRODUCTION

- 340 Land and land rights.
- 341 Structures and improvements.
- 342 Fuel holders, producers and accessories.
- 343 Prime movers.
- 344 Generators.
- 345 Accessory electric equipment.
- 346 Miscellaneous power plant equipment.

3. TRANSMISSION PLANT

- 350 Land and land rights.
- 351 Clearing land and rights of way.
- 352 Structures and improvements.
- 353 Station equipment.
- 354 Towers and fixtures.
- 355 Poles and fixtures.
- 356 Overhead conductors and devices.
- 357 Underground conduit.
- 358 Underground conductors and devices.
- 359 Roads and trails.

4. DISTRIBUTION PLANT

- 360 Land and land rights.
- 361 Structures and improvements.
- 362 Station equipment.
- 363 Storage battery equipment.
- 364 Poles, towers and fixtures.
- 365 Overhead conductors and devices.
- 366 Underground conduit.
- 367 Underground conductors and devices.
- 368 Line transformers.
- 369 Services.
- 370 Meters.
- 371 Installations on customers' premises.
- 372 Leased property on customers' premises.
- 373 Street lighting and signal systems.

5. GENERAL PLANT

- 389 Land and land rights.
- 390 Structures and improvements.
- 391 Office furniture and equipment.
- 392 Transportation equipment.
- 393 Stores equipment.
- 394 Tools, shop and garage equipment.
- 395 Laboratory equipment.
- 396 Power operated equipment.
- 397 Communication equipment.
- 398 Miscellaneous equipment.
- 399 Other tangible property.

Electric Plant Accounts

1. INTANGIBLE PLANT

301 Organization.

This account shall include all fees paid to federal or state governments for the privilege of incorporation and expenditures incident to organizing the corporation, partnership, or other enterprise and putting it into readiness to do business.

ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public-utility business.
2. Fees and expenses for incorporation.
3. Fees and expenses for mergers or consolidations.
4. Office expenses incident to organizing the utility.
5. Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt or expenses in connection with the authorization, issuance or sale of capital stock.

NOTE B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included herein or in similar accounts in the books of the companies concerned shall be excluded from this account.

302 Franchises and consents.

A. This account shall include amounts paid to the federal government, to a State or to a political subdivision thereof

in consideration for franchises, consents, water power licenses, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, water power licenses, or certificates of permission and approval, including expenses of organizing and merging separate corporations where statutes require, solely for the purpose of acquiring franchise.

B. If a franchise, consent, water power license, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 435, Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or to account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant, as appropriate.

D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

NOTE: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

303 Miscellaneous intangible plant.

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant, as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

2. PRODUCTION PLANT

A. STEAM PRODUCTION

310 Land and land rights.

This account shall include the cost of land and land rights used in connection with steam-power generation. (See electric plant instruction 6.)

311 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with steam-power generation. (See electric plant instruction 7.)

NOTE: Include steam production roads and railroads in this account.

312 Boiler plant equipment.

This account shall include the cost installed of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam, mercury, or other vapor, to be used primarily for generating electricity.

ITEMS

1. Ash handling equipment, including hoppers, gates, cars, conveyors, hoists, sluicing equipment, including pumps and motors, sluicing water pipe and fittings, sluicing trenches and accessories, etc., except sluices which are a part of a building.

2. Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators, and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drives.

3. Boiler plant cranes and hoists and associated drives.

4. Boilers and equipment, including boilers and baffles, economizers, superheaters, soot blowers, foundations and settings, water walls, arches, grates, insulation, blow-down system, drying out of new boilers, also associated motors or other power equipment.

5. Breeching and accessories, including breeching, dampers, soot spouts, hoppers and gates, cinder eliminators, breeching insulation, soot blowers and associated motors.

6. Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to the transportation of coal, hoppers, duntakes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, magnetic separators, cable ways, housings and supports for coal handling equipment.

7. Draft equipment, including air preheaters and accessories, induced and forced draft fans, air ducts, combustion control mechanisms, and associated motors or other power equipment.

8. Gas-burning equipment, including holders, burner equipment and piping, control equipment, etc.

9. Instruments and devices, including all measuring, indicating, and recording equipment for boiler plant service together with mountings and supports.

10. Lighting systems.

11. Oil-burning equipment, including tanks, heaters, pumps with drive, burner equipment and piping, control equipment, etc.

12. Pulverized fuel equipment, including pulverizers, accessory motors, primary air fans, cyclones and ducts, dryers, pulverized fuel bins, pulverized fuel conveyors and equipment, burners, burner piping, priming equipment, air compressors, motors, etc.

13. Stacks, including foundations and supports, stack steel and ladders, stack brick work, stack concrete, stack lining, stack painting (first), when set on separate foundations, independent of substructure or superstructure of building.

14. Station piping, including pipe, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc. for station piping system, including all steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, air piping or piping specifically provided for in account 313.

15. Stoker or equivalent feeding equipment, including stokers and accessory motors, clinker grinders, fans and motors, etc.

16. Ventilating equipment.

17. Water purification equipment, including softeners and accessories, evaporators

and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.

18. Water-supply systems, including pumps, motors, strainers, raw-water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.

19. Wood fuel equipment, including hoppers, fuel hogs and accessories, elevators and conveyors, bins and gates, spouts, measuring equipment and associated drives.

NOTE: When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, pipe line, cooling ponds, or where gas or oil is used as a fuel for providing steam and is supplied through a pipe line system owned by the utility, the cost of such special facilities shall be charged to a subdivision of account 311, Structures and Improvements.

313 Engines and engine driven generators.

This account shall include the cost installed of steam engines, reciprocating or rotary, and their associated auxiliaries; and engine driven main generators, except turbogenerator units.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.

2. Belting, shafting, pulleys, reduction gearing, etc.

3. Circulating pumps, including connections between condensers and intake and discharge tunnels.

4. Cooling system, including towers, pumps, tank, and piping.

5. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.

6. Cranes, hoists, etc., including items wholly identified with items listed herein.

7. Engines, reciprocating or rotary.

8. Fire-extinguishing systems.

9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.

10. Generators—main, A.C. or D.C., including field rheostats and connections for self-excited units, and excitation systems when identified with the generating unit.

11. Governors.

12. Lighting systems.

13. Lubricating systems, including gauges, filters, tanks, pumps, piping, motors, etc.

14. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.

15. Piping—main exhaust, including connections between generator and condenser and between condenser and hotwell.

16. Piping—main steam, including connections from main throttle valve to turbine inlet.

17. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

18. Pressure oil system, including accumulators, pumps, piping, motors, etc.

19. Throttle and inlet valve.

20. Tunnels, intake and discharge, for condenser system, when not a part of a structure.

21. Water screens, motors, etc.

314 Turbogenerator units.

This account shall include the cost installed of main turbine driven units and accessory equipment used in generating electricity by steam.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Circulating pumps, including connections between condensers and intake and discharge tunnels.
3. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
4. Generator hydrogen gas piping system and hydrogen detrainment equipment.
5. Cooling system, including towers, pumps, tanks, and piping.
6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Excitation system, when identified with main generating units.
8. Fire-extinguishing systems.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
10. Governors.
11. Lighting systems.
12. Lubricating systems, including gauges, filters, water separators, tanks, pumps, piping, motors, etc.
13. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
14. Piping—main exhaust, including connections between turbogenerator and condenser and between condenser and hotwell.
15. Piping—main steam, including connections from main throttle valve to turbine inlet.
16. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
17. Pressure oil systems, including accumulators, pumps, piping, motors, etc.
18. Steelwork, specially constructed for apparatus listed herein.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a part of structure, water screens, etc.
21. Turbogenerators—main, including turbine and generator, field rheostats and electric connections for self-excited units.
22. Water screens, motors, etc.
23. Moisture separators for turbine steam.
24. Turbine lubricating oil (initial charge).

315 Accessory electric equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by steam power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating

mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.

4. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, special fire-extinguishing system, and test equipment.

5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency-control equipment, master clocks, watt-hour meters and synchroscope in the turbine room, station totalizing wattmeter, boiler-room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

316 Miscellaneous power plant equipment.

This account shall include the cost installed of miscellaneous equipment in and about the steam generating plant devoted to general station use, and which is not properly includible in any of the foregoing steampower production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, insect-control equipment, and other similar equipment.
10. Railway cars not includible elsewhere.
11. Refrigerating systems, including compressors, pumps, cooling coils, etc.

12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.

13. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment listed herein is wholly used in connection with equipment included in another account its cost shall be included in such other account.

B. HYDRAULIC PRODUCTION

330 Land and land rights.

This account shall include the cost of land and land rights used in connection with hydraulic power generation. (See electric plant instruction 6.)

331 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with hydraulic power generation. (See electric plant instruction 7.)

332 Reservoirs, dams and waterways.

This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation, and delivery of water used primarily for generating electricity.

ITEMS

1. Bridges and culverts (when not a part of roads or railroads).
2. Clearing and preparing land.
3. Dams, including wasteways, spillways, flash boards, spillway gates with operating and control mechanisms, tunnels, gate houses, and fish ladders.
4. Dikes and embankments.
5. Electric system, including conductors, control system, transformers, lighting fixtures, etc.
6. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated materials.
7. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
8. Intakes, including trash racks, rack cleaners, control gates and valves with operating mechanisms, and intake house when not a part of station structure.
9. Platforms, railings, steps, gratings, etc., appurtenant to structures listed herein.
10. Power lines wholly identified with items included herein.
11. Retaining walls.
12. Water conductors and accessories, including canals, tunnels, flumes, penstocks, pipe conductors, forebays, tailraces, navigation locks and operating mechanisms, water-hammer and surge tanks, and supporting trestles and structures.
13. Water storage reservoirs, including dams, flashboards, spillway gates and operating mechanisms, inlet and outlet tunnels, regulating valves and valve towers, silt and mud sluicing tunnels with valve or gate towers, and all other structures wholly identified with any of the foregoing items.

333 Water wheels, turbines and generators.

This account shall include the cost installed of water wheels and hydraulic turbines (from connection with penstock or flume to tail-race) and generators driven thereby devoted to the production of electricity by water power or for the production of power for industrial or other purposes, if the equipment used for such purposes is a part of the hydraulic power plant works.

ITEMS

1. Exciter water wheels and turbines, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
2. Fire-extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators-main, A.C. or D.C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
6. Lighting systems.
7. Lubricating systems, including gauges, filters, tanks, pumps, piping, etc.
8. Main penstock valves and appurtenances, including main valves, control equipment, bypass valves and fittings, and other accessories.
9. Main turbines and water wheels, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
10. Mechanical meters and recording instruments.
11. Miscellaneous water-wheel equipment, including gauges, thermometers, meters, and other instruments.
12. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
13. Scroll case filling and drain system, including gates, pipe, valves, fittings, etc.
14. Water-actuated pressure-regulator system, including tanks and housings, pipes, valves, fittings and insulations, piers and anchorage, and excavation and backfill.

334 Accessory electric equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by hydraulic power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts, such motors being included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine, and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
4. Station buses, including main, auxiliary, transfer, synchronizing, and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, start-

ing transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special fire-extinguishing system, and test equipment.

5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck type boards complete, cubicles, station supervisory control devices, frequency control equipment, master clocks, watt-hour meter, station totalizing watt-meter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housings for batteries, protective screens, doors, etc.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment, it shall be included in such equipment account.

335 Miscellaneous power plant equipment.

This account shall include the cost installed of miscellaneous equipment in and about the hydroelectric generating plant which is devoted to general station use and is not properly includible in other hydraulic production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, counter-shafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, insect control equipment, signal system, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
10. Railway cars, not includible elsewhere.
11. Refrigerating system, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

336 Roads, railroads and bridges.

This account shall include the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It includes also those roads, etc., necessary to connect the plant with

highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

ITEMS

1. Bridges, including foundations, piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Railroads, including grading, ballast, ties, rails, culverts, hoists, etc.
4. Roads, including grading, surfacing, culverts, etc.
5. Structures, constructed and maintained in connection with items listed herein.
6. Trails, including grading, surfacing, culverts, etc.
7. Trestles, including foundations, piers, girders, trusses, flooring, etc.

NOTE A: Roads intended primarily for connecting employees' houses with the power plant shall not be included herein but in account 331, Structures and Improvements.

NOTE B: The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall not be included herein but shall be charged to the accounts appropriate for the construction.

C. OTHER PRODUCTION

340 Land and land rights.

This account shall include the cost of land and land rights used in connection with other power generation. (See electric plant instruction 6.)

341 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with other power generation. (See electric plant instruction 7.)

342 Fuel holders, producers, and accessories.

This account shall include the cost installed of fuel handling and storage equipment used between the point of fuel delivery to the station and the intake pipe through which fuel is directly drawn to the engine, also the cost of gas producers and accessories devoted to the production of gas for use in prime movers driving main electric generators.

ITEMS

1. Blower and fans.
2. Boilers and pumps.
3. Economizers.
4. Exhauster outfits.
5. Flues and piping.
6. Pipe system.
7. Producers.
8. Regenerators.
9. Scrubbers.
10. Steam injectors.
11. Tanks for storage of oil, gasoline, etc.
12. Vaporizers.

343 Prime movers.

This account shall include the cost installed of Diesel or other prime movers devoted to the generation of electric energy, together with their auxiliaries.

ITEMS

1. Air-filtering system.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Cooling system, including towers, pumps, tanks, and piping.
4. Cranes, hoists, etc., including items wholly identified with apparatus listed herein.

5. Engines, Diesel, gasoline, gas or other internal combustion.
6. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
7. Governors.
8. Ignition system.
9. Inlet valve.
10. Lighting systems.
11. Lubricating systems, including filters, tanks, pumps, and piping.
12. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
13. Mufflers.
14. Piping.
15. Starting systems, compressed air, or other, including compressors and drives, tanks, piping, motors, boards and connections, storage tanks, etc.
16. Steelwork, specially constructed for apparatus listed herein.
17. Waste heat boilers, antifluators, etc.

344 Generators.

This account shall include the cost installed of Diesel or other power driven main generators.

ITEMS

1. Cranes, hoists, etc., including items wholly identified with such apparatus.
2. Fire-extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators—main, A.C. or D.C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
6. Lighting systems.
7. Lubricating system, including tanks, filters, strainers, pumps, piping, coolers, etc.
8. Mechanical meters, and recording instruments.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

NOTE: If prime movers and generators are so integrated that it is not practical to separately classify as Prime Movers, the entire unit may be included in account 344, Generators.

345 Accessory electric equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced in other power generating stations, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which it is associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.

3. Generator main connections, including oil circuit breakers, and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.

4. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, trunk-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature-recording devices, Frequency control equipment, master clocks, watt-hour meter, station totalizing wattmeter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

5. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries, and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station ground system, special fire-extinguishing system, and test equipment.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

346 Miscellaneous power plant equipment.

This account shall include the cost installed of miscellaneous equipment in and about the other power generating plant, devoted to general station use, and not properly includible in any of the foregoing other power production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
6. Miscellaneous belts, pulleys, counter-shafts, etc.
7. Refrigerating system including compressors, pumps, cooling coils, etc.
8. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.

9. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein, is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

3. TRANSMISSION PLANT

350 Land and land rights.

This account shall include the cost of land and land rights used in connection with transmission operations. (See electric plant instruction 6.)

351 Clearing land and rights of way.

This account shall include the cost of initial or original clearing of transmission land and rights of way.

NOTE: The cost of removing stumps, grading, excavating, etc., incident to the preparation of foundations for towers or other structures or to the construction of roads, trails, and bridges, shall not be included in this account but in the accounts directly benefited.

352 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See electric plant instruction 7.)

353 Station equipment.

This account shall include the cost installed of transforming, conversion, and switching equipment used for the purpose of changing the characteristics of electricity in connection with its transmission or for controlling transmission circuits.

ITEMS

1. Bus compartments, concrete, brick, and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not part of a building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, including transformers, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, and disconnect switches.
13. Tools and appliances.

354 Towers and fixtures.

This account shall include the cost installed of towers and appurtenant fixtures used for supporting overhead transmission conductors.

ITEMS

1. Anchors, guys, braces.
2. Brackets.
3. Crossarms, including braces.
4. Excavation, backfill, and disposal of excess excavated material.
5. Foundations.
6. Guards.
7. Insulator pins and suspension bolts.
8. Ladders and steps.
9. Railings, etc.
10. Towers.

355 Poles and fixtures.

This account shall include the cost installed of transmission line poles, wood, steel, concrete, or other material, together with appurtenant fixtures used for supporting overhead transmission conductors.

ITEMS

1. Anchors, head arm and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Gaining, roofing, stenciling, and tagging.
7. Insulator pins and suspension bolts.
8. Paving.
9. Pole steps.
10. Poles, wood, steel, concrete, or other material.
11. Racks complete with insulators.
12. Reinforcing and stubbing.
13. Settings.
14. Shaving and painting.

356 Overhead conductors and devices.

This account shall include the cost installed of overhead conductors and devices used for transmission purposes.

ITEMS

1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires and ground clamps.
4. Insulators, including pin, suspension, and other types.
5. Lightning arresters.
6. Switches.
7. Other line devices.

357 Underground conduit.

This account shall include the cost installed of underground conduit and tunnels used for housing transmission cables or wires. (See electric plant instruction 12.)

ITEMS

1. Conduit, concrete, brick or tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel, frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
6. Municipal inspection.

7. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.

8. Permits.
9. Protection of street openings.
10. Removal and relocation of subsurface obstructions.
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps.
13. Ventilating equipment.

358 Underground conductors and devices.

This account shall include the cost installed of underground conductors and devices used for transmission purposes.

ITEMS

1. Armored conductors, buried, including insulators, insulating materials, splices, pot-heads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chambers, pot-heads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber of manhole to insulators on pole.
4. Circuit breakers.
5. Fireproofing, in connection with any item listed herein.
6. Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, pot-heads and connections, ventilating equipment, etc.
7. Lead and fabric covered conductors, including insulators, compound filled, oil filled, or vacuum splices, pot-heads, etc.
8. Lightning arresters.
9. Municipal inspection.
10. Permits.
11. Protection of street openings.
12. Racking of cables.
13. Switches.
14. Other line devices.

359 Roads and trails.

This account shall include the cost of roads, trails, and bridges used primarily as transmission facilities.

ITEMS

1. Bridges, including foundation piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Roads, including grading, surfacing, culverts, etc.
4. Structures, constructed and maintained in connection with items included herein.
5. Trails, including grading, surfacing, culverts, etc.

NOTE: The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall be charged to the accounts appropriate for the construction.

4. DISTRIBUTION PLANT**360 Land and land rights.**

This account shall include the cost of land and land rights used in connection with distribution operations. (See electric plant instruction 6.)

NOTE: Do not include in this account the cost of permits to erect poles, towers, etc., or to trim trees. See account 364, Poles, Towers and Fixtures, and account 365, Overhead Conductors and Devices.

361 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See electric plant instruction 7.)

362 Station equipment.

This account shall include the cost installed of station equipment, including transformer banks, etc., which are used for the purpose of changing the characteristics of electricity in connection with its distribution.

ITEMS

1. Bus compartments, concrete, brick and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not part of building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, disconnect switches.

NOTE: The cost of rectifiers, series transformers, and other special station equipment devoted exclusively to street lighting service shall not be included in this account, but in account 373, Street Lighting and Signal Systems.

363 Storage battery equipment.

This account shall include the cost installed of storage battery equipment for the purpose of supplying electricity to meet emergency or peak demands.

ITEMS

1. Batteries, including elements, tanks, tank insulators, etc.
2. Battery room connections, including cable or bus runs and connections.
3. Battery room flooring, when specially laid for supporting batteries.
4. Charging equipment, including motor generator sets and other charging equipment and connections, and cable runs from generator or station bus to battery room connections.
5. Miscellaneous equipment, including instruments, water stills, etc.
6. Switching equipment, including end-cell switches and connections, boards and panels, used exclusively for battery control, not part of general station switchboard.
7. Ventilating equipment, including fans and motors, louvers, and ducts not part of building.

NOTE: Storage batteries used for control and general station purposes shall not be included in this account but in the account appropriate for their use.

364 Poles, towers, and fixtures.

This account shall include the cost installed of poles, towers, and appurtenant fixtures used for supporting overhead distribution conductors and service wires.

ITEMS

1. Anchors, head arm, and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Foundations.
7. Guards.
8. Insulator pins and suspension bolts.
9. Paving.
10. Permits for construction.
11. Pole steps and ladders.
12. Poles, wood, steel, concrete, or other material.
13. Racks complete with insulators.
14. Railings.
15. Reinforcing and stubbing.
16. Settings.
17. Shaving, painting, galing, roofing, stenciling, and tagging.
18. Towers.
19. Transformer racks and platforms.

365 Overhead conductors and devices.

This account shall include the cost installed of overhead conductors and devices used for distribution purposes.

ITEMS

1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires, clamps, etc.
4. Insulators, including pin, suspension, and other types, and tie wire or clamps.
5. Lightning arresters.
6. Railroad and highway crossing guards.
7. Splices.
8. Switches.
9. Tree trimming initial cost including the cost of permits therefor.
10. Other line devices.

NOTE: The cost of conductors used solely for street lighting or signal systems shall not be included in this account but in account 373, Street Lighting and Signal Systems.

366 Underground conduit.

This account shall include the cost installed of underground conduit and tunnels used for housing distribution cables or wires.

ITEMS

1. Conduit, concrete, brick and tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which constructed.
4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
6. Municipal inspection.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Protection of street openings.
10. Removal and relocation of subsurface obstructions.
11. Sewer connections, including drains, traps, tide valves, check valves, etc.

12. Sumps, including pumps.
13. Ventilating equipment.

NOTE: The cost of underground conduit used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

367 Underground conductors and devices.

This account shall include the cost installed of underground conductors and devices used for distribution purposes.

ITEMS

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chamber, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber or manhole to insulators on pole.
4. Circuit breakers.
5. Fireproofing, in connection with any items listed herein.
6. Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, etc.
7. Lead and fabric covered conductors, including insulators, compound-filled, oil-filled or vacuum splices, potheads, etc.
8. Lightning arresters.
9. Municipal inspection.
10. Permits.
11. Protection of street openings.
12. Racking of cables.
13. Switches.
14. Other line devices.

NOTE: The cost of underground conductors and devices used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

368 Line transformers.

A. This account shall include the cost installed of overhead and underground distribution line transformers and pole-type and underground voltage regulators owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer, whether actually in service or held in reserve.

B. When a transformer is permanently retired from service, the original installed cost thereof shall be credited to this account.

C. The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various capacities in service and those in reserve, and the location and the use of each transformer.

ITEMS

1. Installation, labor of (first installation only).
2. Transformer cut-out boxes.
3. Transformer, lightning arresters.
4. Transformers, line and network.
5. Capacitors.
6. Network protectors.

NOTE: The cost of removing and resetting line transformers shall not be charged to this account but to account 561, Line and Station Labor, or account 562, Line and Station Supplies and Expenses, as appropriate. The cost of line transformers used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

369 Services.

This account shall include the cost installed of all overhead and underground conductors leading from a point where wires leave the last pole of the overhead system or the distribution box or manhole, or the top of the pole of the distribution line, to the point of connection with the customer's outlet or wiring. Conduit used for underground service conductors shall be included herein.

ITEMS

1. Brackets.
2. Cables and wires.
3. Conduit.
4. Insulators.
5. Municipal inspection.
6. Overhead to underground, including conduit or standpipe and conductor from last splice on pole to connection with customer's wiring.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Protection of street openings.
10. Service switch.
11. Suspension wire.

370 Meters.

A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve.

B. When a meter is permanently retired from service, the installed cost 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 various capacities in service and in reserve as well as the location of each meter owned.

ITEMS

1. Alternating current watt-hour meters.
2. Current limiting devices.
3. Demand indicators.
4. Demand meters.
5. Direct current watt-hour meters.
6. Graphic demand meters.
7. Installation, labor of (first installation only).
8. Instrument transformers.
9. Maximum demand meters.
10. Meter badges and their attachments.
11. Meter boards and boxes.
12. Meter fittings, connections, and shelves (first set).
13. Meter switches and cut-outs.
14. Prepayment meters.
15. Protective devices.
16. Testing new meters.

NOTE A: This account shall not include meters for recording output of a generating station, substation meters, etc. It includes only those meters used to record energy delivered to customers.

NOTE B: The cost of removing and resetting meters shall be charged to account 566, Meter Expenses.

371 Installations on customers' premises.

This account shall include the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property. This account shall not include

leased equipment for which see account 372, Leased Property on Customers' Premises.

ITEMS

1. Cable vaults.
2. Commercial lamp equipment.
3. Foundations and settings specially provided for equipment included herein.
4. Frequency changer sets.
5. Motor generator sets.
6. Motors.
7. Switchboard panels, high or low tension.
8. Wire and cable connections to incoming cables.

NOTE: Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

372 Leased property on customers' premises.

This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporation), leased or loaned to customers, but not including property held for sale.

NOTE A: The cost of setting and connecting such appliances or equipment on the premises of customers and the cost of resetting or removal shall not be charged to this account but to operating expenses, account 567, Customer Installations Expenses.

NOTE B: Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

373 Street lighting and signal systems.

This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police, and other signal systems.

ITEMS

1. Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
2. Automatic control equipment.
3. Conductors, overhead or underground, including lead or fabric covered, parkway cables, etc., including splices, insulators, etc.
4. Lamps, arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
5. Municipal inspection.
6. Ornamental lampposts.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Posts and standards.
10. Protection of street openings.
11. Relays or time clocks.
12. Series contactors.
13. Switches.
14. Transformers, pole or underground.

5. 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 electric plant instruction 6.)

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 electric plant instruction 7.)

391 Office furniture and equipment.

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

ITEMS

1. Bookcases 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.

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

ITEMS

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

394 Tools, shop and garage equipment.

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

ITEMS

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

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.

ITEMS

1. Ammeters.
2. Current batteries.
3. Frequency changers.
4. Galvanometers.
5. Inductometers.
6. Laboratory standard millivolt meters.
7. Laboratory standard volt meters.
8. Meter-testing equipment.
9. Millivolt meters.
10. Motor generator sets.
11. Panels.
12. Phantom loads.
13. Portable graphic ammeters, voltmeters, and wattmeters.
14. Portable loading devices.
15. Potential batteries.
16. Potentiometers.
17. Rotating standards.
18. Standard cell, reactance, resistor, and shunt.
19. Switchboards.
20. Synchronous timers.
21. Testing panels.
22. Testing resistors.
23. Transformers.
24. Voltmeters.
25. Other testing, laboratory, or research equipment not provided for elsewhere.

396 Power operated equipment.

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

ITEMS

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

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

397 Communication equipment.

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

PROPOSED RULE MAKING

ITEMS

1. Antennae.
2. Booths.
3. Cables.
4. Distributing boards.
5. Extension cords.
6. Gongs.
7. Hand sets, manual and dial.
8. Insulators.
9. Intercommunicating sets.
10. Loading coils.
11. Operators' desks.
12. Poles and fixtures used wholly for telephone or telegraph wire.
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 the utility operations, which is not includible in any other account of this system of accounts.

ITEMS

1. Hospital and infirmary equipment.
2. Kitchen equipment.
3. Recreation equipment.
4. Radios.
5. Restaurant equipment.
6. Soda fountains.
7. Operators' 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.

Income Accounts

1. UTILITY OPERATING INCOME

- 400 Operating revenues.
- Operating expenses:
- 401 Operation expense.
- 402 Maintenance expense.
- 403 Depreciation expense.
- 404 Amortization of limited-term electric plant.
- 405 Amortization of other electric plant.
- 406 Amortization of electric plant acquisition adjustments.
- 407 Amortization of property losses.
- 408 Taxes other than income taxes.
- 409 Income taxes.
- 410 Provision for deferred income taxes.
- 411 Income taxes deferred in prior years—Credit.
- Total operating expenses.
- Operating income.
- 412-413 Income from electric plant leased to others.
- 414 Other utility operating income.
- Total operating income.

2. OTHER INCOME

- 415-416 Income from merchandising, jobbing and contract work.
- 417 Income from nonutility operations.
- 418 Nonoperating rental income.
- 419 Interest and dividend income.
- 421 Miscellaneous nonoperating income.
- Total other income.
- Total income.

3. MISCELLANEOUS INCOME DEDUCTIONS

- 425 Miscellaneous amortization.
- 426 Other income deductions.
- Total income deductions.
- Income before interest charges.

4. INTEREST CHARGES

- 427 Interest on long-term debt.
- 428 Amortization of debt discount and expense.
- 429 Amortization of premium on debt—Cr.
- 430 Interest on debt to associated companies.
- 431 Other interest expense.
- 432 Interest charged to construction—Cr.
- Total interest charges.
- Net income.

5. EARNED SURPLUS

- 216 Unappropriated earned surplus (at beginning of period).
- 433 Balance transferred from income.
- 434 Miscellaneous credits to surplus.
- 435 Miscellaneous debits to surplus.
- 436 Appropriations of surplus.
- Net addition to earned surplus.
- 437 Dividends declared—Preferred stock.
- 438 Dividends declared—Common stock.
- 216 Unappropriated earned surplus (at end of period).

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

There shall be shown under this caption the total amount included in the electric operating revenue accounts provided herein.

401 Operation expense.

There shall be shown under this caption the total amount included in the electric operation expense accounts provided herein.

402 Maintenance expense.

There shall be shown under this caption the total amount included in the electric maintenance expense accounts provided herein.

403 Depreciation expense.

A. This account shall include the amount of depreciation expense for all classes of depreciable electric 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 electric plant.

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

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

404 Amortization of limited-term electric plant.

This account shall include amortization charges applicable to amounts included in the electric 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 110, Accumulated Provision of Depreciation and Amortization of Electric Plant.)

405 Amortization of other electric plant.

A. When authorized by the Commission, this account shall include charges for amortization of intangible or other electric 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 electric plant acquisition adjustments.

This account shall be debited or credited, as the case may be, with amounts includible in operating expenses, pursuant to approval or order of the Commission, for the purpose of providing for the extinguishment of the amount in account 114, Electric 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 electric operations.

408 Taxes other than income taxes.

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

B. This account shall be charged 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 more than one utility service, taxes of the kind 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 non-utility operations on an equitable basis.

NOTE A: Taxes applicable to nonutility property or investments shall be charged to the account in which the income from the property or investments is included.

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

NOTE C: Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE D: Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropriate rent expense or clearing account.

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

NOTE F: Social Security and other forms of so-called pay roll taxes shall be distributed to utility departments and to nonutility functions on a basis related to pay roll. Amounts applicable to construction shall be charged to the appropriate plant account.

409 Income taxes.

A. This account shall include the amount of State and federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted accordingly so that this account, as nearly as can be ascertained, shall include the actual taxes payable which are chargeable to utility operations.

B. The accruals for income taxes shall be apportioned among utility departments and nonutility operations so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or nonutility operation the income from which gave rise to the tax.

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

NOTE B: Income taxes on income from electric plant leased to others shall be charged to account 413, Expenses of Electric Plant Leased to Others.

NOTE C: Where statutes or regulatory practices require that the profits or losses of merchandising, jobbing and contract work shall not be considered in arriving at rates to be charged for utility service, income taxes on income from merchandising, jobbing and contract work shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

NOTE D: Income taxes on nonutility income shall be charged to the account in which the income is included. If the amount of nonutility income is relatively small, the allocation of income taxes thereto may be made annually.

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

410 Provision for deferred income taxes.

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.

411 Income taxes deferred in prior years—Credit.

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.

412 Revenues from electric plant leased to others.

413 Expenses of electric plant leased to others.

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

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

- Operation.
- Maintenance.
- Rents.
- Depreciation.
- Amortization.
- Taxes Other Than Income Taxes.
- Income Taxes.

414 Other utility operating income.

A. This account shall include the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 118, Other Utility Plant.

B. The expenses shall include every element of cost incurred in such operations, including depreciation, rents, taxes, and insurance.

2. OTHER INCOME

415 Revenues from merchandising, jobbing and contract work.

416 Costs and expenses of merchandising, jobbing and contract work.

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

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

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

ITEMS

Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.

2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 416:

Labor—
1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.

2. Demonstrating and selling activities in sales rooms.

3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.

4. Installing wiring, piping, or other property work, on a jobbing or contract basis.

5. Preparing advertising materials for appliance sales purposes.

6. Receiving and handling customer orders for merchandise or for jobbing services.

7. Cleaning and tidying sales rooms.

8. Maintaining display counters and other equipment used in merchandising.

9. Arranging merchandise in sales rooms and decorating display windows.

10. Reconditioning repossessed appliances.

11. Bookkeeping and other clerical work in connection with merchandising and jobbing activities.

12. Supervising merchandising and jobbing operations.

Materials and Expenses—

13. Advertising in newspapers, periodicals, radio, television, etc.

14. Cost of merchandise sold and of materials used in jobbing work.

15. Stores expenses on merchandise and jobbing stocks.

16. Fees and expenses of advertising and commercial artists' agencies.

17. Printing booklets, dodgers, and other advertising data.

18. Premiums given as inducement to buy appliances.

19. Light, heat, and power.

20. Depreciation on equipment used primarily for merchandising and jobbing operations.

21. Rent of sales rooms or of equipment.

22. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.

23. Stationery and office supplies and expenses.

24. Taxes directly assignable to merchandising and jobbing operations including income taxes on net income derived therefrom.

25. Losses from uncollectible merchandising and jobbing accounts.

417 Income from nonutility operations.

A. This account shall include revenues and expenses applicable to operations which are nonutility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as the operation of an ice department where applicable statutes do

not define such operation as a utility, or the operation of a servicing organization for furnishing supervision, management, engineering, and similar services to others.

B. The expenses shall include all elements of costs incurred in such operations, and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes Other Than Income Taxes.
Income Taxes.

418 Nonoperating rental income.

A. This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property, which is not used in operations covered by account 417.

B. The expenses shall include all elements of costs incurred in the ownership and rental of the property and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes Other Than Income Taxes.
Income Taxes.

419 Interest and dividend income.

A. This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Surplus.

C. This account may include the pro rata amount necessary to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the face value of interest-bearing securities. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried.

D. Where significant in amount, expenses, including operating taxes and income taxes, applicable to security investments and to interest and dividend revenues thereon shall be charged hereto.

NOTE: Interest accrued, the payment of which is not reasonably assured, dividends receivable which have not been declared or guaranteed, and interest or dividends upon reacquired securities issued or assumed by the utility shall not be credited to this account.

421 Miscellaneous nonoperating income.

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

ITEMS

1. Profit on sale of timber. (See electric plant instruction 6, C.)
2. Profits from operations of others realized by the utility under contracts.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to Surplus.

ITEMS

1. Amortization of utility plant acquisition adjustments, or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.
2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the Commission.
3. Amortization of capital stock discount or expenses when in accordance with a systematic amortization program.

426 Other income deductions.

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

ITEMS

1. Donations for charitable, social or community welfare purposes.
2. Life insurance of officers and employees where utility is beneficiary (net premiums less increase in cash surrender value of policies).
3. Penalties or fines for violation of statutes pertaining to regulation.

NOTE: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

4. INTEREST CHARGES

427 Interest on long-term debt.

A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

B. This account shall be so kept or supported as to show the interest accruals on each class and series of long-term debt.

NOTE: This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

428 Amortization of debt discount and expense.

A. This account shall include the amortization of unamortized debt discount and expense on outstanding long-term debt. Amounts charged to this account shall be credited concurrently to account 181, Unamortized Debt Discount and Expense.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429 Amortization of premium on debt—Cr.

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 251, Unamortized Premium on Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

430 Interest on debt to associated companies.

A. This account shall include the interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

431 Other interest expense.

This account shall include all interest charges not provided for elsewhere.

ITEMS

1. Interest on notes payable on demand or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.
2. Interest on customers' deposits.
3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.
4. Income and other taxes levied upon bondholders of utility and assumed by it.

432 Interest charged to construction—Cr.

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. No interest shall be capitalized on plant which is completed and ready for service.

5. EARNED SURPLUS

433 Balance transferred from income.

This account shall include the net credit or debit transferred from income for the year.

434 Miscellaneous credits to surplus.

This account shall include credits affecting earned surplus not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be credited to this account is not

significant with respect to net income determination for the year, it may be credited to the appropriate non-operating income account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Delayed credits.
2. Profit on reacquisition and resale or retirement of utility's debt securities.
3. Profit on sale of property or investments.

435 Miscellaneous debits to surplus.

This account shall include amounts chargeable to earned surplus but not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be charged to this account is not significant with respect to net income determination for the year, it may be charged to the appropriate non-operating income deduction account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Decline in value of investments.
2. Delayed debits.
3. Loss on reacquisition and resale or retirement of utility's debt securities.
4. Provision for past accrued depreciation not provided for.
5. Long-term debt discount or expense written off.
6. Loss on sale of property or investments.
7. Write-off of utility plant acquisition adjustments or of intangibles when not done under an orderly systematic program indicating the propriety of inclusion of the annual charges in account 425, Miscellaneous Amortization.
8. Preliminary survey and investigation expenses on abandoned projects.
9. Income taxes, both state and federal, occasioned by items included in account 434, Miscellaneous Credits to Surplus.
10. Charges from retirement or resale of reacquired capital stock.

436 Appropriations of surplus.

This account shall include appropriations of earned surplus for purposes not provided for elsewhere.

ITEMS

1. Appropriations of income required under terms of mortgages, orders of courts, contracts or other agreements.
2. Appropriations of income required by action of regulatory authorities.
3. Miscellaneous appropriations of income made at option of utility for specified purposes.

437 Dividends declared—Preferred stock.

A. This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding preferred or prior lien capital stock issued by the utility.

B. Dividends shall be segregated for each class and series of preferred stock as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

438 Dividends declared—Common stock.

A. This account shall include amounts declared payable out of earned surplus

as dividends on actually outstanding common capital stock issued by the utility.

B. Dividends shall be segregated for each class of common stock as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

Operating Revenue Accounts

1. SALES OF ELECTRICITY

- 440 Residential sales.
- 442 Commercial and industrial sales.
- 444 Public street and highway lighting.
- 447 Sales for resale.
- 448 Interdepartmental sales.
- 449 Other sales.

2. OTHER OPERATING REVENUES

- 450 Forfeited discounts.
- 451 Miscellaneous service revenues.
- 453 Sales of water and water power.
- 454 Rent from electric property.
- 455 Interdepartmental rents.
- 456 Other electric revenues.

Operating Revenue Accounts

1. SALES OF ELECTRICITY

440 Residential sales.

A. This account shall include the net billing for electricity supplied for residential or domestic purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

NOTE: When electricity supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account, or account 442, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to principal use.

442 Commercial and industrial sales.

A. This account shall include the net billing for electricity supplied to customers for commercial and industrial purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available. Records shall be maintained also so as to show separately the revenues from commercial and industrial customers (a) which have demands generally of 1000 kw or more, and (b) those which have demands generally less than 1000 kw. Reasonable deviations above or below the 1000 kw demand are permissible in order that transfers of customers between the two classes during the year may be minimized.

NOTE A: If the utility classifies large commercial and industrial customers and related revenues on a lesser basis than 1000 kilowatts of demand, or segregates industrial customers and related revenues according to a recognized definition of an industrial customer, such classifications are acceptable in lieu of those otherwise required by the text of this account on the basis of 1000 kilowatts of demand.

NOTE B: When electricity supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account, or in account 440, Residential Sales, according to the

rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to the principal use.

444 Public street and highway lighting.

A. This account shall include the net billing for electricity supplied and services rendered for the purposes of lighting streets, highways, parks and other public places, or for traffic or other signal system service, for municipalities or other divisions or agencies of state or federal governments.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received from each customer shall be readily available. In addition, the records shall be maintained so as to show the revenues from (a) contracts which include both electricity and services, and (b) contracts which include sales of electricity only.

447 Sales for resale.

A. This account shall include the net billing for electricity supplied to other electric utilities or to public authorities for resale purposes.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer. (See account 545, Purchased Power, for credits includible herein arising from exchange, pooling or interconnection arrangements.)

NOTE: Revenues from electricity supplied to other public utilities for use by them and not for distribution, shall be included in account 442, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

448 Interdepartmental sales.

A. This account shall include amounts charged by the electric department at tariff or other specified rates for electricity supplied by it to other utility departments.

B. Records shall be maintained so that the quantity of electricity supplied each other department and the charges therefor shall be readily available.

449 Other sales.

A. This account shall include revenues for electricity supplied which are not provided for elsewhere.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenues received from each customer.

2. OTHER OPERATING REVENUES

450 Forfeited discounts.

This account shall include the amount of discounts forfeited or additional charges imposed because of the failure of customers to pay their electric bills on or before a specified date.

451 Miscellaneous service revenues.

This account shall include revenues for all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

ITEMS

1. Fees for changing, connecting or disconnecting service.

PROPOSED RULE MAKING

2. Profit on maintenance of appliances, wiring, piping or other installations on customers' premises.

3. Net credit or debit (cost less net salvage and less payment from customers) on closing of work orders for plant installed for temporary service of less than one year.

4. Recovery of expenses in connection with current diversion cases (billing for the electricity consumed shall be included in the appropriate electric revenue account).

453 Sales of water and water power.

A. This account shall include revenues derived from the sale of water for irrigation, domestic, industrial or other uses, or for the development by others of water power, or for headwater improvements; also, revenues derived from furnishing water power for mechanical purposes when the investment in the property used in supplying such water or water power is carried as electric plant in service.

B. The records for this account shall be kept in such manner as to permit an analysis of the rates charged and the purposes for which the water was used.

454 Rent from electric property.

A. This account shall include rents received for the use by others of land, buildings, and other property devoted to electric operations by the utility.

B. When property owned by the utility is operated jointly with others under a definite arrangement for apportioning the actual expenses among the parties to the arrangement, any amount received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account.

NOTE. Do not include in this account rents from property constituting an operating unit or system. (See account 412, Revenues from Electric Plant Leased to Others.)

455 Interdepartmental rents.

This account shall include rents credited to the electric department on account of rental charges made against other departments (gas, water, etc.) of the utility. In the case of property operated under a definite arrangement to allocate the costs among the departments using the property, any reimbursement to the electric department for interest or return and depreciation and taxes shall be credited to this account.

456 Other electric revenues.

This account shall include revenues derived from electric operations not includible in any of the foregoing accounts.

ITEMS

1. Commission on sale or distribution of electricity of others when sold under rates filed by such others.

2. Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.

3. Profit or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.

4. Sale of steam, but not including sales made by a steam-heating department or transfers of steam under joint facility operations.

Operation and Maintenance Expense Accounts

1. POWER PRODUCTION EXPENSES

A. STEAM POWER GENERATION

Operation

- 500 Operation supervision and labor.
- 501 Fuel.
- 502 Operation supplies and expenses.
- 503 Steam from other sources.
- 504 Steam transferred—Cr.
- 505 Rents.

Maintenance

- 506 Maintenance of steam production plant.

B. HYDRAULIC POWER GENERATION

Operation

- 530 Operation supervision and labor.
- 531 Water for power.
- 532 Operation supplies and expenses.
- 533 Rents.

Maintenance

- 535 Maintenance of hydraulic production plant.

C. OTHER POWER GENERATION

Operation

- 538 Operation supervision and labor.
- 539 Fuel.
- 540 Operation supplies and expenses.
- 541 Rents.

Maintenance

- 543 Maintenance of other power production plant.

D. OTHER POWER SUPPLY EXPENSES

Operation

- 545 Purchased power.
- 546 Other expenses.

2. TRANSMISSION EXPENSES

Operation

- 550 Operation supervision and labor.
- 551 Operation supplies and expenses.
- 552 Rents.

Maintenance

- 553 Maintenance of transmission plant.

3. DISTRIBUTION EXPENSES

Operation

- 560 Operation supervision expenses.
- 561 Line and station labor.
- 562 Line and station supplies and expenses.
- 565 Street lighting and signal system expenses.
- 566 Meter expenses.
- 567 Customer installations expenses.
- 569 Miscellaneous distribution expenses.
- 570 Rents.

Maintenance

- 571 Maintenance of structures and equipment.
- 572 Maintenance of lines.
- 573 Maintenance of line transformers.
- 574 Maintenance of street lighting and signal systems.
- 575 Maintenance of meters.
- 576 Maintenance of miscellaneous distribution plant.

4. CUSTOMER ACCOUNTS EXPENSES

Operation

- 901 Meter reading labor.
- 902 Accounting and collecting labor.
- 903 Supplies and expenses.
- 904 Uncollectible accounts.

5. SALES EXPENSES

Operation

- 910 Sales expenses.
- 914 Revenues from merchandising, jobbing and contract work.
- 915 Costs and expenses of merchandising, jobbing and contract work.

6. 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.
- 933 Transportation expenses.

Maintenance

- 935 Maintenance of general plant.

Operation and Maintenance Expense Accounts

1. POWER PRODUCTION EXPENSES

A. STEAM POWER GENERATION

Operation

- 500 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of steam power generating stations.

ITEMS

- Boiler Room Labor:**
1. Supervising steam production.
 2. Operating fuel conveying, storage, weighing and processing equipment within boiler plant.
 3. Operating boiler and boiler auxiliary equipment.
 4. Operating boiler feed water purification and treatment equipment.
 5. Operating ash collecting and disposal equipment located inside the plant.
 6. Operating boiler plant electrical equipment.
 7. Keeping boiler plant log and records and preparing reports on boiler plant operations.
 8. Testing boiler water.
 9. Testing, checking, and adjusting meters, gauges and other instruments in boiler plant.
 10. Cleaning boiler plant equipment when not incidental to maintenance work.
 11. Repacking glands and replacing gauge glasses where the work involved is of a minor nature and is performed by regular operating crews. Where the work is of a major character such as that performed on high pressure boilers the item should be considered as maintenance.
- Electric Plant Labor:**
12. Supervising electric production.
 13. Operating turbines, engines, generators and exciters.
 14. Operating condensers, circulating water systems and other auxiliary apparatus.
 15. Operating generator cooling system.
 16. Operating lubrication and oil control system, including oil purification.
 17. Operating switchboards, switch gear and electric control and protective equipment.
 18. Keeping electric plant log and records and preparing reports on electric plant operations.
 19. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls and other equipment in electric plant.
 20. Cleaning electric plant equipment when not incidental to maintenance work.
 21. Repacking glands and replacing gauge glasses.
- Miscellaneous Labor:**
22. General clerical and stenographic work at plant.
 23. Guarding and patrolling plant and yard.

- 24. Building service.
- 25. Care of grounds including snow removal, cutting grass, etc.
- 26. Miscellaneous labor.

501 Fuel.

A. This account shall include the cost of fuel used in the production of steam for the generation of electricity, including expenses in unloading fuel from the shipping media and handling thereof up to the point where the fuel enters the first boiler plant bunker, hopper, bucket, tank or holder of the boiler house structure. Records shall be maintained to show the quantity, B.T.U. content and cost of each type of fuel used.

B. The cost of fuel shall be charged initially to appropriate fuel accounts carried under account 150, Materials and Supplies, and cleared to this account on the basis of the fuel used. Fuel handling expenses may be charged to this account as incurred or charged initially to an appropriate subaccount of account 150, Materials and Supplies. In the latter event, they shall be cleared to this account on the basis of the fuel used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

ITEMS

Labor:

- 1. Supervising purchasing and handling of fuel.
- 2. All routine fuel analyses.
- 3. Unloading from shipping facility and putting in storage.
- 4. Moving of fuel in storage and transferring fuel from one station to another.
- 5. Handling from storage or shipping facility to first bunker, hopper, bucket, tank or holder of boiler house structure.
- 6. Operation of mechanical equipment, such as locomotives, trucks, cars, boats, barges, cranes, etc.
- Materials and Expenses:
- 7. Cost of fuel including freight, switching, demurrage and other transportation charges.
- 8. Excise taxes, insurance, purchasing commissions and similar items.
- 9. Stores expenses to extent applicable to fuel.
- 10. Transportation and other expenses in moving fuel in storage.
- 11. Tools, lubricants, and other supplies.
- 12. Operating supplies for mechanical equipment.
- 13. Residual disposal expenses less any proceeds from sale of residuals.

Note: Abnormal fuel handling expenses occasioned by emergency conditions shall be charged to expense as incurred.

502 Operation supplies and expenses.

This account shall include the cost of materials used and expenses incurred in the operation of steam power generating stations.

ITEMS

- 1. Chemicals and boiler inspection fees.
- 2. Lubricants and control system oils.
- 3. Boiler feed water purchased and pumping supplies.
- 4. Generator cooling gases.
- 5. Circulating water purification supplies.
- 6. Cooling water purchased.
- 7. Motor and generator brushes.
- 8. General operating supplies, such as tools, gaskets, packing waste, gauge glasses, hose, indicating lamps, record and report forms, etc.
- 9. First-aid supplies and safety equipment.

- 10. Employees' service facilities expenses.
- 11. Building service supplies.
- 12. Communication service.
- 13. Miscellaneous office supplies and expenses, printing and stationery.
- 14. Transportation expenses.
- 15. Meals, traveling and incidental expenses.

503 Steam from other sources.

This account shall include the cost of steam purchased, or transferred from another department of the utility or from others under a joint facility operating arrangement, for use in prime movers devoted to the production of electricity.

Note: The records shall be so kept as to show separately for each company from which steam is purchased, the point of delivery, the quantity, the price, and the total charge. When steam is transferred from another department or from others under a joint operating arrangement, the utility shall be prepared to show full details of the cost of producing such steam, the basis of the charge to electric generation and the extent and manner of use by each department or party involved.

504 Steam transferred—Cr.

A. This account shall include credits for expenses of producing steam which are charged to others or to other utility departments under a joint operating arrangement. Include also credits for steam expenses chargeable to other electric accounts outside of the steam generation group. Full details of the cost of steam 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 steam facilities, such portion of the charge shall be credited, in the case of others, to account 454, Rent from Electric Property, and in the case of other departments of the utility, to account 455, Interdepartmental Rents.

505 Rents.

This account shall include all rents of property of others used, occupied or operated in connection with steam power generation. (See operating expense instruction 2.)

Maintenance

506 Maintenance of steam production plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of steam production plant the book cost of which is includible in plant accounts 311 to 316, inclusive. (See operating expense instruction 1.)

B. HYDRAULIC POWER GENERATION

Operation

530 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of hydraulic power generating stations.

ITEMS

- Hydraulic Labor:**
- 1. Supervising hydraulic operation.
 - 2. Removing debris and ice from trash racks, reservoirs and waterways.

- 3. Patrolling reservoirs and waterways.
- 4. Operating intakes, spillways, sluiceways, and outlet works.
- 5. Operating bubbler, heater or other de-icing systems.
- 6. Ice and log jam work.
- 7. Operating navigation facilities.
- 8. Operations relating to conservation of game, fish, forests, etc.
- 9. Insect control activities.
- Electric Labor:
- 10. Supervising electric production.
- 11. Operating prime movers, generators and auxiliary equipment.
- 12. Operating generator cooling system.
- 13. Operating lubrication and oil control systems, including oil purification.
- 14. Operating switchboards, switchgear, and electric control and protection equipment.
- 15. Keeping plant log and records and preparing reports on plant operations.
- 16. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls, and other equipment in the plant.
- 17. Cleaning plant equipment when not incidental to maintenance work.
- 18. Repacking glands.
- Miscellaneous Labor:
- 19. General clerical and stenographic work.
- 20. Guarding and patrolling plant and yard.
- 21. Building service.
- 22. Care of grounds, including snow removal, cutting grass, etc.
- 23. Snow removal from roads and bridges.
- 24. Miscellaneous labor.

531 Water for power.

This account shall include the cost of water used for hydraulic power generation.

ITEMS

- 1. Cost of water purchased from others, including water tolls paid reservoir companies.
- 2. Periodic payments for licenses or permits from any governmental agency for water rights, or payments based on the use of the water.
- 3. Periodic payments for riparian rights.
- 4. Periodic payments for headwater benefits or for detriments to others.
- 5. Cloud seeding.

532 Operation supplies and expenses.

This account shall include the cost of materials used and expenses incurred in the operation of hydraulic power generating stations.

ITEMS

- 1. Insect control materials.
- 2. Lubricants, packing, and other supplies used in operation of hydraulic equipment.
- 3. Supplies and expenses in conservation of game, fish, forests, etc.
- 4. Transportation expense.
- 5. Control system oils.
- 6. Motor and generator brushes.
- 7. General operating supplies, such as tools, gaskets, packing, waste hose, indicating lamps, record and report forms, etc.
- 8. First-aid supplies and safety equipment.
- 9. Employees' service facilities expenses.
- 10. Building service supplies.
- 11. Communication service.
- 12. Office supplies, printing and stationery.
- 13. Transportation expenses.
- 14. Fuel.
- 15. Meals, traveling and incidental expenses.

533 Rents.

This account shall include all rents of property of others used, occupied or operated in connection with hydraulic

power generation, including amounts payable to the United States for the occupancy of public lands and reservations for reservoirs, dams, flumes, forebays, penstocks, power houses, etc., but not including transmission right of way. (See operating expense instruction 2.)

Maintenance

535 Maintenance of hydraulic production plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of hydraulic production plant the book cost of which is includible in plant accounts 331 to 336, inclusive. (See operating expense instruction 1.)

C. OTHER POWER GENERATION

Operation

538 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of other power generating stations.

ITEMS

Generating Labor:

1. Supervising other power generation operation.
 2. Operating prime movers, generators and auxiliary apparatus and switching and other electric equipment.
 3. Keeping plant log and records and preparing reports on plant operations.
 4. Testing, checking, cleaning, oiling and adjusting equipment.
- ##### Miscellaneous Labor:
5. General clerical and stenographic work.
 6. Guarding and patrolling plant and yard.
 7. Building service.
 8. Care of grounds, including snow removal, cutting grass, etc.
 9. Miscellaneous labor.

539 Fuel.

This account shall include the cost delivered at the station (see account 150, Materials and Supplies) of all fuel, such as gas, oil, kerosene, and gasoline used in other power generation.

540 Operation supplies and expenses.

This account shall include the cost of materials used and expenses incurred in the operation of other power generating stations.

ITEMS

1. Dynamo, motor, and generator brushes.
2. Lubricants and control system oils.
3. Water for cooling engines and generators.
4. Building service supplies.
5. First-aid supplies and safety equipment.
6. Communication service.
7. Employees' service facilities expenses.
8. Office supplies, printing and stationery.
9. Transportation expense.
10. Meals, traveling and incidental expenses.
11. Fuel for heating.
12. Water for fire protection or general use.
13. Miscellaneous supplies, such as hand tools, drills, saw blades, files, etc.

541 Rents.

This account shall include all rents of property of others used, occupied, or operated in connection with other power generation. (See operating expense instruction 2.)

Maintenance

543 Maintenance of other power production plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of other power generation plant, the book cost of which is includible in plant accounts 341 to 346, inclusive. (See operating expense instruction 1.)

D. OTHER POWER SUPPLY EXPENSES

Operation

545 Purchased power.

A. This account shall include the cost at point of receipt by the utility of electricity purchased for resale. It shall include, also, net settlements for exchange of electricity or power, such as economy energy, off-peak for on-peak energy, spinning reserve capacity, etc. In addition, the account shall include the net settlements for transactions under pooling or interconnection agreements wherein there is a balancing of debits and credits for energy, capacity, etc. Distinct purchases and sales shall not be recorded as exchanges and net amounts only recorded merely because debit and credit amounts are combined in the voucher settlement.

B. The records supporting this account shall show, by months, the demands and demand charges, kilowatt-hours and prices thereof, under each purchase contract and the charges and credits under each exchange or power pooling contract.

546 Other expenses.

A. This account shall be charged with any production expenses, including expenses incurred directly in connection with the purchase of electricity, which are not specifically provided for in other production expense accounts. Charges to this account shall be supported so that a description of each type of charge will be readily available.

B. Recoveries from insurance companies, under use and occupancy provisions of policies, of amounts in reimbursement of excessive or added production costs for which the insurance company is liable under the terms of the policy shall be credited to this account.

2. TRANSMISSION EXPENSES

Operation

550 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of the transmission system.

ITEMS

- ##### Load Dispatching Labor:
1. Directing switching.
 2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
 3. Controlling system voltages.
 4. Obtaining reports on the weather and special events.
 5. Preparing operating reports and data for billing and budget purposes.
- ##### Station Labor:
6. Supervising station operation.
 7. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling

water, adjusting current in fields of a machine or changing voltage of regulators, changing station transformer taps.

8. Inspecting, testing and calibrating station equipment for the purpose of checking its performance.

9. Keeping station log and records and preparing reports on station operation.

10. Operating switching and other station equipment.

11. Standing watch, guarding, and patrolling station and station yard.

12. Sweeping, mopping, and tidying station.

13. Care of grounds, including snow removal, cutting grass, etc.

Line Labor:

14. Supervising line operation.

15. Inspecting and testing lightning arresters, circuit breakers, switches, and grounds.

16. Load tests of circuits.

17. Routine line patrolling.

18. Routine voltage surveys made to determine the condition or efficiency of transmission system.

19. Transferring loads, switching and re-connecting circuits and equipment for operating purposes. (Switching for construction or maintenance purposes is not includible in this account.)

20. Routine inspection and cleaning of manholes, conduit, network and transformer vaults.

21. Electrolysis surveys.

22. Inspecting and adjusting line testing equipment such as voltmeters, ammeters, wattmeters, etc.

23. Regulation and addition of oil or gas in high voltage cable systems.

Miscellaneous Labor:

24. General records of physical characteristics of lines and stations, such as capacities, etc.

25. Ground resistance records.

26. Janitor work at transmission office buildings, including care of grounds, snow removal, cutting grass, etc.

27. Joint pole maps and records.

28. Line load and voltage records.

29. Preparing maps and prints.

30. General clerical and stenographic work.

31. Miscellaneous labor.

551 Operation supplies and expenses.

This account shall include the cost of materials used and expenses incurred in the operation of the transmission system.

ITEMS

1. Building service expenses.
2. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
3. Station meter and instrument supplies, such as ink and charts.
4. Station record and report forms.
5. Communication service.
6. First-aid supplies.
7. Tool expense.
8. Transportation expenses.
9. Meals, traveling, and incidental expenses.

552 Rents.

This account shall include rents of property of others used, occupied, or operated in connection with the transmission system, including payments to the United States and others for use of public or private lands and reservations for transmission line rights of way. (See operating expense instruction 2.)

Maintenance

553 Maintenance of transmission plant.

This account shall include the cost of labor, materials used and expenses in-

curred in the maintenance of transmission plant the book cost of which is includible in plant accounts 351 to 359, inclusive. (See operating expense instruction 1.)

ITEMS

1. Work of the following character on poles, towers and fixtures:
 - a. Installing or removing additional clamps or strain insulators on guys in place.
 - b. Moving line or guy pole in relocation of the same pole or section of line.
 - c. Painting poles, towers, crossarms or pole extensions.
 - d. Readjusting and changing position of guys or braces.
 - e. Realigning and straightening poles, crossarms, braces and other pole fixtures.
 - f. Reconditioning reclaimed pole fixtures.
 - g. Relocating crossarms, racks, brackets, and other fixtures on poles.
 - h. Repairing or realigning pins, racks, or brackets.

1. Repairing pole supported platform.
- j. Repairs by others to jointly owned poles.
- k. Shaving, cutting rot, or treating poles or crossarms in use or salvaged for reuse.
- l. Stubbing poles already in service.
- m. Supporting fixtures and conductors and transferring them to new pole during pole replacement.

- n. Maintenance of pole signs, stencils, tags, etc.

2. Work of the following character on overhead conductors and devices:
 - a. Overhauling and repairing line cutouts, line switches, line breakers, etc.
 - b. Cleaning insulators and bushings.
 - c. Refusing cutouts.
 - d. Repairing line oil circuit breakers and associated relays and control wiring.
 - e. Repairing grounds.
 - f. Resagging, retying, or rearranging position or spacing of conductors.
 - g. Standing by phones, going to calls, cutting faulty lines clear, or similar activities at times of emergencies.
 - h. Sampling, testing, changing, purifying, and replenishing insulating oil.
 - i. Repairing line testing equipment.
 - j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
 - k. Trimming trees and clearing brush.

1. Chemical treatment of right of way areas when occurring subsequent to construction of line.
3. Work of the following character on roads and trails:
 - a. Repairing roadway, bridges, etc.
 - b. Trimming trees and brush to maintain previous roadway clearance.
 - c. Snow removal from roads and trails.
 - d. Maintenance work on publicly owned roads and trails when done by utility at its expense.

4. Work of the following character on underground conduit:
 - a. Cleaning ducts, manholes, and sewer connections.
 - b. Minor alterations of handholes, manholes, or vaults.
 - c. Refastening, repairing, or moving racks, ladders, or hangers in manholes, or vaults.
 - d. Plugging and shelving or replugging ducts.
 - e. Repairs to sewers and drains, walls and floors, rings and covers.

5. Work of the following character on underground conductors and devices:
 - a. Repairing oil circuit breakers, switches, cutouts, and control wiring.
 - b. Repairing grounds.
 - c. Retraining and reconnecting cables in manhole, including transfer of cables from one duct to another.
 - d. Repairing conductors and splices.
 - e. Repairing or moving junction boxes and potheads.

- f. Refireproofing of cables and repairing supports.
- g. Repairing electrolysis preventive devices for cables.
- h. Repairing cable bonding systems.

1. Sampling, testing, changing, purifying and replenishing insulating oil.
- j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
- k. Repairing line testing equipment.

1. Repairs to oil or gas equipment in high voltage cable system and replacement of oil or gas.

3. DISTRIBUTION EXPENSES

OPERATION

560 Operation supervision expenses.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of the distribution system. Direct supervision of specific activities, such as station operation, line operation, meter department operation, etc., shall be charged to the appropriate account.

561 Line and station labor.

This account shall include the cost of labor incurred in the operation of distribution lines and stations.

ITEMS

- Line Labor:**
1. Supervising line operation.
 2. Changing line transformer taps.
 3. Inspecting and testing lightning arrester, line circuit breakers, switches, and grounds.
 4. Inspecting and testing line transformers for the purpose of determining load, temperature, or operating performance.
 5. Patrolling lines.
 6. Load tests and voltages surveys of feeders, circuits, and line transformers.
 7. Removing line transformers and voltage regulators with or without replacement.
 8. Installing line transformers or voltage regulators with or without change in capacity provided that the cost of first installation of these items is included in account 368, Line Transformers.
 9. Voltage surveys, either routine or upon request of customers, including voltage tests at customer's main switch.
 10. Transferring loads, switching and reconnecting circuits and equipment for operation purposes.
 11. Electrolysis surveys.
 12. Inspecting and adjusting line testing equipment.

- Station Labor:**
1. Supervising station operation.
 2. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine, changing voltage of regulators, or changing station transformer taps.
 3. Keeping station log and records and preparing reports on station operation.
 4. Inspecting, testing, and calibrating station equipment for the purpose of checking its performance.
 5. Operating switching and other station equipment.
 6. Standing watch, guarding and patrolling station and station yard.
 7. Sweeping, mopping, and tidying station.
 8. Care of grounds, including snow removal, cutting grass, etc.

1. Repairing pole supported platform.
- j. Repairs by others to jointly owned poles.
- k. Shaving, cutting rot, or treating poles or crossarms in use or salvaged for reuse.
- l. Stubbing poles already in service.
- m. Supporting fixtures and conductors and transferring them to new pole during pole replacement.
- n. Maintenance of pole signs, stencils, tags, etc.

2. Work of the following character on overhead conductors and devices:
 - a. Overhauling and repairing line cutouts, line switches, line breakers, etc.
 - b. Cleaning insulators and bushings.
 - c. Refusing cutouts.
 - d. Repairing line oil circuit breakers and associated relays and control wiring.
 - e. Repairing grounds.
 - f. Resagging, retying, or rearranging position or spacing of conductors.
 - g. Standing by phones, going to calls, cutting faulty lines clear, or similar activities at times of emergencies.
 - h. Sampling, testing, changing, purifying, and replenishing insulating oil.
 - i. Repairing line testing equipment.
 - j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
 - k. Trimming trees and clearing brush.

1. Chemical treatment of right of way areas when occurring subsequent to construction of line.
3. Work of the following character on roads and trails:
 - a. Repairing roadway, bridges, etc.
 - b. Trimming trees and brush to maintain previous roadway clearance.
 - c. Snow removal from roads and trails.
 - d. Maintenance work on publicly owned roads and trails when done by utility at its expense.

4. Work of the following character on underground conduit:
 - a. Cleaning ducts, manholes, and sewer connections.
 - b. Minor alterations of handholes, manholes, or vaults.
 - c. Refastening, repairing, or moving racks, ladders, or hangers in manholes, or vaults.
 - d. Plugging and shelving or replugging ducts.
 - e. Repairs to sewers and drains, walls and floors, rings and covers.

5. Work of the following character on underground conductors and devices:
 - a. Repairing oil circuit breakers, switches, cutouts, and control wiring.
 - b. Repairing grounds.
 - c. Retraining and reconnecting cables in manhole, including transfer of cables from one duct to another.
 - d. Repairing conductors and splices.
 - e. Repairing or moving junction boxes and potheads.

- f. Refireproofing of cables and repairing supports.
- g. Repairing electrolysis preventive devices for cables.
- h. Repairing cable bonding systems.
1. Sampling, testing, changing, purifying and replenishing insulating oil.
- j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
- k. Repairing line testing equipment.
1. Repairs to oil or gas equipment in high voltage cable system and replacement of oil or gas.

562 Line and station supplies and expenses.

This account shall include the cost of materials used and expenses incurred in

the operation of distribution lines and stations.

ITEMS

1. Building service expenses.
2. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
3. Station meter and instrument supplies, such as ink and charts.
4. Station record and report forms.
5. Tool expense.
6. Transportation expense.
7. Meals, traveling, and incidental expenses.

565 Street lighting and signal system expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of street lighting and signal system plant.

ITEMS

- Labor:**
1. Supervising street lighting and signal systems operation.
 2. Replacing lamps and incidental cleaning of glassware and fixtures in connection therewith.
 3. Routine patrolling for lamp outages, extraneous nuisances or encroachments, etc.
 4. Testing lines and equipment including voltage and current measurement.
 5. Winding and inspection of time switch and other controls.

- Materials and Expenses:**
6. Street lamp renewals.
 7. Transportation and tool expense.
 8. Meals, traveling, and incidental expenses.

- 566 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. Clerical work on meter history and associated equipment record cards, test cards, and reports.
 3. Disconnecting and reconnecting, removing and reinstalling, sealing and unsealing meters and other metering equipment in connection with initiating or terminating services including the cost of obtaining meter readings, if incidental to such operation.
 4. Consolidating meter installations due to elimination of separate meters for different rates of service.
 5. Changing or relocating meters, instrument transformers, time switches, and other metering equipment.
 6. Resetting time controls, checking operation of demand meters and other metering equipment, when done as an independent operation.
 7. Inspecting and adjusting meter testing equipment.
 8. Inspecting and testing meters, instrument transformers, time switches, and other metering equipment on premises or in shops excluding inspecting and testing incidental to maintenance.

- Materials and Expenses:**
9. Meter seals and miscellaneous meter supplies.
 10. Transportation expenses.
 11. Meals, traveling, and incidental expenses.
 12. Tool expenses.

- NOTE:** The cost of the first setting and testing of a meter is chargeable to utility plant account 370, Meters.

567 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. Inspecting premises, including check of wiring for code compliance.
 3. Investigating, locating, and clearing grounds on customers' wiring.
 4. Investigating service complaints, including load tests of motors and lighting and power circuits on customers' premises; field investigations of complaints on bills or of voltage.
 5. Installing, removing, renewing, and changing lamps and fuses.
 6. Radio, television, and similar interference work including erection of new aerials on customers' premises and patrolling of lines, testing of lightning arresters, inspection of pole hardware, etc., and examination on or off premises of customers' appliances, wiring, or equipment to locate cause of interference.
 7. Installing, connecting, reinstalling, or removing leased property on customers' premises.
 8. Testing, adjusting, and repairing customers' fixtures and appliances in shop or on premises.
 9. Cost of changing customers' equipment due to changes in service characteristics.
 10. Investigation of current diversion including setting and removal of check meters and securing special readings thereon; special calls by employees in connection with discovery and settlement of current diversion; changes in customer wiring and any other labor cost identifiable as caused by current diversion.
- Materials and Expenses:**
11. Lamp and fuse renewals.
 12. Materials used in servicing customers' fixtures, appliances and equipment.
 13. Power, light, heat, telephone, and other expenses of appliance repair department.
 14. Tool expense.
 15. Transportation expense, including pickup and delivery charges.
 16. Meals, traveling and incidental expenses.
 17. Rewards paid for discovery of current diversion.

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 resulting therefrom shall be transferred to account 451, Miscellaneous Service Revenues.

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

569 Miscellaneous distribution expenses.

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

ITEMS**Labor:**

1. General records of physical characteristics of lines and substations, such as capacities, etc.
2. Ground resistance records.
3. Joint pole maps and records.
4. Distribution system voltage and load records.
5. Preparing maps and prints.
6. Service interruption and trouble records.
7. General clerical and stenographic work except that chargeable to account 566, Meter Expenses.

8. Operating records covering poles, transformers, manholes, cables, and other distribution facilities. Exclude meter records chargeable to account 566, Meter Expenses, and station records chargeable to account 561, Line and Station Labor.

9. Janitor work at distribution office buildings including snow removal, cutting grass, etc.

Materials and Expenses:

10. Communication service.
11. Building service expenses.
12. Miscellaneous office supplies and expenses, printing, and stationery, maps and records and first-aid supplies.

570 Rents.

This account shall include rents of property of others used, occupied or operated in connection with the distribution system, including payments to the United States and others for the use and occupancy of public lands and reservations for distribution line rights of way. (See operating expense instruction 2.)

Maintenance**571 Maintenance of structures and equipment.**

This account shall include the cost of labor, materials used and expenses incurred in maintenance of structures, the book cost of which is includible in account 361, Structures and Improvements, account 362, Station Equipment, and account 363, Storage Battery Equipment. (See operating expense instruction 1.)

572 Maintenance of lines.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of distribution line facilities, the book cost of which is includible in account 364, Poles, Towers and Fixtures, account 365, Overhead Conductors and Devices, account 366, Underground Conduit, account 367, Underground Conductors and Devices, and account 369, Services. (See operating expense instruction 1.)

ITEMS

1. Work of the following character on poles, towers, and fixtures:
 - a. Installing additional clamps or removing clamps or strain insulators on guys in place.
 - b. Moving line or guy pole in relocation of pole or section of line.
 - c. Painting poles, towers, crossarms, or pole extensions.
 - d. Readjusting and changing position of guys or braces.
 - e. Realigning and straightening poles, crossarms, braces, pins, racks, brackets, and other pole fixtures.
 - f. Reconditioning reclaimed pole fixtures.
 - g. Relocating crossarms, racks, brackets, and other fixtures on pole.
 - h. Repairing pole supported platform.
 - i. Repairs by others to jointly owned poles.
 - j. Shaving, cutting rot, or treating poles or crossarms in use or salvage for reuse.
 - k. Stubbing poles already in service.
1. Supporting conductors, transformers, and other fixtures and transferring them to new poles during pole replacement.
- m. Maintaining pole signs, stencils, tags, etc.
2. Work of the following character on overhead conductors and devices:
 - a. Overhauling and repairing line cutouts, line switches, line breakers, and capacitor installations.
 - b. Cleaning insulators and bushings.
 - c. Refusing line cutouts.

d. Repairing line oil circuit breakers and associated relays and control wiring.

e. Repairing grounds.

f. Resagging, retying, or rearranging position or spacing of conductors.

g. Standing by phones, going to calls, cutting faulting lines clear, or similar activities at times of emergencies.

h. Sampling, testing, changing, purifying, and replenishing insulating oil.

i. Transferring loads, switching, and re-connecting circuits and equipment for maintenance purposes.

j. Repairing line testing equipment.

k. Trimming trees and clearing brush.

1. Chemical treatment of right of way area when occurring subsequent to construction of line.

3. Work of the following character on underground conduit:

a. Cleaning ducts, manholes, and sewer connections.

b. Moving or changing position of conduit or pipe.

c. Minor alterations of handholes, manholes, or vaults.

d. Refastening, repairing or moving racks, ladders, or hangers in manholes or vaults.

e. Plugging and shelving ducts.

f. Repairs to sewers, drains, walls and floors, rings and covers.

4. Work of the following character on underground conductors and devices:

a. Repairing circuit breakers, switches, cutouts, network protectors, and associated relays and control wiring.

b. Repairing grounds.

c. Retraining and reconnecting cables in manhole including transfer of cables from one duct to another.

d. Repairing conductors and splices.

e. Repairing or moving junction boxes and potheads.

f. Refireproofing cables and repairing supports.

g. Repairing electrolysis preventive devices for cables.

h. Repairing cable bonding systems.

i. Sampling, testing, changing, purifying and replenishing insulating oil.

j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.

k. Repairing line testing equipment.

1. Repairing oil or gas equipment in high voltage cable system and replacement of oil or gas.

5. Work of the following character on services:

a. Moving position of service either on pole or on customers' premises.

b. Pulling slack in service wire.

c. Retying service wire.

d. Refastening or tightening service bracket.

e. Cleaning ducts.

573 Maintenance of line transformers.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of distribution line transformers, the book cost of which is includible in account 368, Line Transformers. (See operating expense instruction 1.)

574 Maintenance of street lighting and signal systems.

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 373, Street Lighting and Signal Systems. (See operating expense instruction 1.)

575 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 370, Meters, and account 395, Laboratory Equipment, respectively. (See operating expense instruction 1.)

576 Maintenance of miscellaneous distribution 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 371, Installations on Customers' Premises, and 372, Leased Property on Customers' Premises, and any other plant the maintenance of which is assignable to the distribution function and is not provided for elsewhere. (See operating expense instruction 1.)

ITEMS

1. Work of similar character to that listed in other distribution maintenance accounts.
2. Maintenance of office furniture and equipment used by distribution system department.

**4. CUSTOMER ACCOUNTS EXPENSE
OPERATION**

901 Meter reading labor.

This account shall include the cost of labor incurred in reading customer meters and determining consumption when performed by employees engaged in reading meters.

ITEMS

1. Addressing forms for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Reading meters, including demand meters, and obtaining load information for billing purposes. Exclude and charge to account 566, Meter Expenses, or to account 902, Accounting and Collecting Labor, 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.

902 Accounting and collecting labor.

This account shall include the cost of labor on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

ITEMS

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 de-

posit, line extension, and other miscellaneous records.

4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.
5. Preparing address plates and addressing bills and delinquent notices.
6. Preparing billing data.
7. Operating billing and bookkeeping machines.
8. Verifying billing records with contracts or rate schedules.
9. Preparing bills for delivery, and mailing or delivering bills.
10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.
11. Balancing collections, preparing collections for deposit, and preparing cash reports.
12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.
13. Balancing customer accounts and controls.
14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.
15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.
16. Disconnecting and reconnecting services because of nonpayment of bills.
17. Receiving, recording, and handling of inquiries, complaints, and request for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.
19. Preparing and periodically rewriting meter reading sheets.
20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

NOTE: The cost of work on meter history and meter location records is chargeable to account 566, Meter Expenses.

NOTE: Revenues and expenses of merchandising, jobbing, and contract work shall be reported in this account, if a state regulatory body having jurisdiction over the utility requires such income to be reported as an operating expense item; but the revenues and expenses shall be reported in accounts 415 and 416, if such regulatory body requires 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.

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903 Supplies and expenses.

This account shall include the cost of materials used and expenses incurred in meter reading and the handling of customer accounts.

ITEMS

1. Badges, lamps and uniforms.
2. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.
3. Address plates and supplies.
4. Cash overages and shortages when written off.
5. Commissions or fees to others for collecting.
6. Payments to credit organizations for investigations and reports.
7. Postage.
8. Transportation of customer bills and meter books under centralized billing procedure.
9. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
10. Forms for recording orders for services, removals, etc.
11. Rent of mechanical equipment.
12. Transportation, meals and incidental expenses.
13. Communication service.
14. Miscellaneous office supplies and expenses and stationery and printing.

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.

5. SALES EXPENSES

Operation

910 Sales expenses.

This account shall include the cost of labor and expenses incurred for the purpose of promoting the sale of electricity, other than merchandising, jobbing or contract work activities.

ITEMS

1. Advertising.
2. Demonstrating uses of utility service.
3. Home service activities.
4. Solicitation of new business.

914 Revenues from merchandising, jobbing and contract work.

915 Costs and expenses of merchandising, jobbing and contract work.

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

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

NOTE: Revenues and expenses of merchandising, jobbing, and contract work shall be reported in this account, if a state regulatory body having jurisdiction over the utility requires such income to be reported as an operating expense item; but the revenues and expenses shall be reported in accounts 415 and 416, if such regulatory body requires 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.

ITEMS

Account 914

1. Revenues from sale of merchandising and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 915

Labor:

1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
2. Demonstrating and selling activities in sales rooms.
3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
4. Installing wiring, piping, or other property work on jobbing or contract basis.
5. Preparing advertising materials for appliance sales purposes.
6. Receiving and handling customer orders for merchandise or for jobbing services.
7. Cleaning and tidying sales rooms.

8. Maintaining display counters and other equipment used in merchandising.

9. Arranging merchandise in sales rooms and decorating display windows.

10. Reconditioning repossessed appliances.

11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.

12. Supervising merchandise and jobbing operations.

Materials and Expenses:

13. Advertising in newspapers, periodicals, radio, television, etc.

14. Cost of merchandise sold and of materials used in jobbing work.

15. Stores expense on merchandise and jobbing stocks.

16. Fees and expenses of advertising and commercial artists' agencies.

17. Printing booklets, dodgers, and other advertising data.

18. Premiums given as inducement to buy appliances.

19. Light, heat and power.

20. Rent of sales rooms or of equipment.

21. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.

22. Stationery and office supplies and expenses.

23. Taxes directly assignable to merchandise and jobbing operations.

24. Losses from uncollectible merchandise and jobbing accounts.

6. 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 operation function.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

921 Office supplies and expenses.

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

NOTE: Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function shall be included in account 930, Miscellaneous General Expenses.

ITEMS

1. Automobile service, including charges through clearing account.

2. Bank messenger and service charges.

3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.

4. Building service expenses for customer accounts, sales, and administrative and general purposes.

5. Communication service expenses.

6. Cost of individual items of office equipment used by general departments which are of small value or short life.

7. Membership fees and dues in trade, technical, and professional associations paid by a 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 account 920, and 921 which are transferred to construction costs or to nonutility accounts. (See electric plant instruction 3.)

923 Outside services employed.

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered 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.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

ITEMS

1. Premiums payable to insurance companies, for fire, storm, burglary, boiler ex-

plosion, lightning, fidelity, riot, and similar insurance.

2. Amounts credited to account 261, Property Insurance Reserve for similar protection.

3. Special costs incurred in procuring insurance.

4. Insurance inspection service.

5. Insurance counsel, brokerage fees, and expenses.

NOTE A: The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

NOTE B: The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated:

(1) Materials and supplies and stores equipment to stores expenses or to appropriate materials account.

(2) Transportation and garage equipment, to account 933, Transportation Expenses.

(3) Electric plant leased to others, to account 413, Expenses of Electric 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.

925 Injuries and damages.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims.

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 damages, casualty, employee liability, etc., and amounts credited to account 262, Injuries and Damages Reserve for similar protection.

2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.

3. Fees and expenses of claim investigators.

4. Payment of awards to claimants for court costs and attorneys' services.

5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.

6. Compensation payments under workmen's compensation laws.

7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)

8. Cost of safety, accident prevention and similar educational activities.

NOTE A: Payments to or in behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of 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 this purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payments for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, education or recreational activities for the benefit of employees.

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 account involved and are not included herein in the first instance.

ITEMS

1. Payment of pensions under a non-accrual or nonfunded basis.
2. Accruals for or payments to pension funds or to insurance companies for pension purposes.
3. Group and life insurance premiums (credit dividends received).
4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.
5. Payments for accident, sickness, hospital, and death benefits or insurance.
6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.
7. Expenses in connection with educational and recreational activities for the benefit of employees.

NOTE A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities may be included in accounts 920 and 921, as appropriate.

NOTE B: Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.

927 Franchise requirements.

A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in

compliance with franchise, ordinance, or similar requirements: *Provided, however,* That the utility may charge to this account at regular tariff rates, instead of cost, electric service furnished without charge under provisions of franchises.

B. When no direct outlay is involved, concurrent credit for such charges shall be made to account 929, Duplicate Charges—Cr.

C. The account shall be maintained so as to readily reflect the amounts of cash outlays, electric 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, and also including payments made to the United States for the Administration of the Federal Power Act.

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 183, Other Deferred Debits and amortized by charges to this account.

C. The utility shall be prepared to show 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 for the use of electric 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.
- Expenses:
2. Industry association dues for company memberships.
 3. Contributions for conventions and meetings of the industry.
 4. Experimental and general research work for the industry.
 5. Communication service not chargeable to other accounts.
 6. Trustee, registrar, and transfer agent fees and expenses.
 7. Stockholder 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.
 13. Public notices of financial, operating, and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

931 Rents.

This account shall include rents properly includible in utility operating expenses for the property of others used, occupied or operated in connection with the customer accounts, sales, and general administrative functions of the utility. (See operating expense instruction 2.)

933 Transportation expenses.

A. This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of general transportation equipment of the utility.

B. This account may be used as a clearing account in which event the charges hereto shall be cleared by apportionment to the appropriate operating expense, electric plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

1. Supervision.
2. Building service.
3. Care of grounds, including snow removal, cutting grass, etc.
4. Utility services.
5. Depreciation of transportation equipment.
6. Fuel and lubricants for vehicles (including sales and excise taxes thereon).
7. Insurance on garage equipment and transportation equipment, including public liability and property damage.
8. Maintenance of transportation and garage equipment.
9. Compensation of drivers, mechanics, clerks, and other garage employees.
10. Rent of garage buildings and grounds, vehicles or equipment.
11. Replacement of tires, tubes, batteries, etc.
12. Direct taxes, licenses, and permits.
13. Miscellaneous garage supplies, tools, and equipment.

PROPOSED RULE MAKING

14. Miscellaneous office supplies and expenses, printing, and stationery.

15. Transportation, meals, and incidental expenses.

NOTE A: The pay of employees driving trucks or other transportation equipment incidental to their regular occupation, shall not be included herein but charged directly to the appropriate expense or other account.

NOTE B: Transportation expenses applicable to construction shall not be included in operating expenses.

Maintenance

935 Maintenance of general plant.

A. This account shall include the cost assignable to customer accounts, sales and administrative and general func-

tions 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, and other general equipment accounts (not including transportation equipment). (See operating expense instruction 1.)

B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

Steam generation..... Account 506.
Hydraulic generation..... Account 535.

Other generation..... Account 543.
Transmission..... Account 553.
Distribution..... Account 576.
Merchandise and jobbing--- Account 416 or 915.
Garages, shops, etc..... Appropriate general expense or clearing account.

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.

[F.R. Doc. 60-7352; Filed, Aug. 9, 1960; 8:45 a.m.]

[18 CFR Part 104]

[Docket No. R-185]

REVISION OF UNIFORM SYSTEM OF ACCOUNTS FOR CLASS D PUBLIC UTILITIES AND LICENSEES SUBJECT TO PROVISIONS OF FEDERAL POWER ACT

Notice of Proposed Rulemaking

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

2. It is proposed to amend, effective January 1, 1961, Part 104—Application of Uniform System of Accounts to Class C and Class D Public Utilities and Licensees, of Subchapter C—Accounts, Federal Power Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations (CFR), to prescribe a revised Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act (Class D), as set forth below.

3. Part 104, §§ 104.1–104.11, of said Title and Code correspond to, and appear at, pages 195–219 of the Commission's pamphlet publication of its Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, effective January 1, 1937 (effective January 1, 1938 as to Class C and Class D Public Utilities and Licensees), Revised to September 1, 1957, as amended by Orders Nos. 204 and 216 issued respectively May 29, 1958 (23 F.R. 4160, June 12, 1958) and October 22, 1959 (24 F.R. 8790, October 29, 1959).¹ The aforesaid Uniform System of Accounts was prescribed by Order No. 43 of December 31, 1936, effective January 1, 1938, and was contained in the codification and reissuance of the Commission's general rules promulgated by Commission Order No. 141, December 11, 1947, effective January 1, 1948 (12 F.R. 8461). The proposed revised System of Accounts does not follow the numbering system required for the Code of Federal Regulations but follows the numbering system (accounts, instructions, definitions, etc.) used in the Commission's pamphlet edition referred to above.

4. Important developments in the electric power industry since the adoption in 1936 of the Uniform System of Accounts effective January 1, 1938 and the experience of the Commission over the past 24 years indicate the need for the System of Accounts herein proposed.

5. Heretofore, the Commission has not had a separately issued Uniform System of Accounts for Class D Public Utilities and Licensees, as such. The accounting requirements presently effective for small utilities (Class C and Class D), consist of an abridgment of the accounts for large public utilities and licensees by means of account charts appearing as Appendix III of the pamphlet version of the Uniform System of Accounts. In

these account charts, the condensed accounts applicable to the small utilities are indicated by bracketing related account titles applicable to Class A and Class B utilities. The result is that small utilities have had to work with an inordinate amount of textual materials designed for larger utilities. The objective of the proposed System of Accounts is to provide these small utilities with a simplified System of Accounts appropriate for the magnitude of their operations.

6. The proposed System of Accounts set forth below reflects the basic principles found in this Commission's recently issued revised Uniform System of Accounts for Class A and Class B Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, Docket No. R-173. The proposed System of Accounts introduces the following important improvements in this Commission's small utility accounting requirements:

- a. New size classifications for electric utilities;
- b. Certain necessary new accounts;
- c. New arrangement of balance sheet and certain other accounts to make them more informative;
- d. A reduced number of expense account classifications, mainly but not entirely by the discontinuance of segregations of numerous functional accounts as to labor and other expenses;
- e. Expanded items lists of account texts and clearer description of such items according to their functional nature, to facilitate use and consistency of respective account classifications; and
- f. Restatements of the accounting aspects of certain accounting interpretations issued in the past.

7. The System of Accounts herein proposed conforms basically to that for which a resolution was adopted at the convention of the National Association of Railroad and Utility Commissioners (NARUC) held in Phoenix, Arizona, on November 17, 1958, with a few modifications.

8. The System of Accounts proposed for adoption herein deviates from the NARUC system of accounts only to the extent necessary to make it more suitable to this Commission's accounting responsibilities but such deviations do not conflict with the basic principles of the NARUC system. The NARUC System of Accounts gives consideration to the fact that the State commissions, in addition to jurisdiction over electric utility operations, ordinarily have jurisdiction over gas and water utility operations of joint utilities. Consequently, the balance sheet classifications for plant and accumulated provisions for depreciation and amortization (reserves) are identified in the NARUC system as "utility" accounts. In the FPC System of Accounts these balance sheet accounts and related instructions are directed to "electric" operations and summary accounts provided for the plant and "reserves" of other utility departments. Likewise, in the FPC version utility operating income accounts are identified with the electric department and a special summary account provided for the operating income

of other, non-electric, utility departments. Similar differences exist between present FPC and NARUC Systems of Accounts. The Commission's present report form, however, is coordinated for joint use by this and the State commissions and necessary summary information of other utility department operations is therein disclosed. It is expected that this reporting arrangement will continue.

The proposed FPC System of Accounts adheres to the NARUC System of Accounts, except as explained above and except for a few instances of notations in account texts and instructions which are of special significance to the FPC. These exceptions which do not disturb the basic conformity with the NARUC System of Accounts, are as follows:

a. Definition 5, which defines cost for the purpose of the Uniform System of Accounts, includes a clarifying phrase to assure caution in the manner of application of Definition 5 to merger and pooling of interest transactions.

b. General Instruction 6 is an instruction relating to separate records required for licensed project plant, depreciation and maintenance expenses for licensed projects. This instruction is solely applicable to the FPC System of Accounts.

c. Account 264, Amortization Reserve—Federal, is not shown in the NARUC system, this account specifies that entries to the account may be made only as authorized or required by the Commission. Since this account relates only to amortization reserves of licensed projects, this account was properly not included in the NARUC System of Accounts.

d. Account 271, Contributions in Aid of Construction, of the FPC System of Accounts provides for segregation of contributions related to licensed projects, a requirement not necessary for the purposes of the NARUC System of Accounts.

e. Instructions are included for Accumulated Deferred Income Taxes in the FPC's proposed System of Accounts whereas no comparable instructions are provided by the NARUC System of Accounts.

f. Account 403, Depreciation Expense of the FPC System of Accounts has been revised because the FPC instruction is addressed to electric utilities, whereas the NARUC system specified that the account be subdivided by utility departments.

9. The Commission recognizes that some burden and expense will have to be borne by the companies affected in connection with the transition from the present accounting requirements to the revised System of Accounts.

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

10. The appended proposed Uniform System of Accounts Prescribed for Pub-

¹ Insofar as the above sections are by their terms applicable to State and municipal licensees, that requirement was dispensed with by the Act of August 15, 1953, 67 Stat. 587.

lic Utilities and Licensees Subject to the Provisions of the Federal Power Act, (Class D) is proposed to be issued under the authority granted to the Federal Power Commission by the Federal Power Act, as amended, particularly Sections 301, 304 and 309 thereof (49 Stat. 854, 855, and 858; 16 U.S.C. 825, 825c, and 825h).

11. Any interested person may submit to the Federal Power Commission not later than September 12, 1960, data, views, and comments in writing concerning the proposed revised System of Accounts. An original and nine copies should be filed of any such submittals. The Commission will consider these written submittals before acting upon the proposed System of Accounts.

MICHAEL J. FARRELL,
Acting Secretary.

AUGUST 3, 1960.

UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR CLASS D PUBLIC UTILITIES AND LICENSEES SUBJECT TO THE PROVISIONS OF THE FED- ERAL POWER ACT

Definitions

When used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.
2. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.
3. "Book cost" means the amount at which property is recorded in these accounts without deduction of related provisions for accrued depreciation, amortization or for other purposes.
4. "Commission" means the Federal Power Commission.
5. "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of common stock in a merger or a pooling of interest, the value of such consideration shall be determined on a cash basis.
6. "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing electric plant, including the cost of transportation and handling incidental thereto.
7. "Depreciation," as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.
8. "Investment advances" means advances, represented by notes or by book

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

9. "Licensee" means any person, or State, licensed under the provisions of the Federal Power Act and subject to the Commission's accounting requirements under the terms of the license.

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

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

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

13. "Nonproject property" means the electric plant of a licensee which is not a part of the project property subject to a license issued by the Commission.

14. "Project" means complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights of way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit.

15. "Project property" means the property described in and subject to a license issued by the Commission.

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

17. "Public utility" means any person who owns or operates facilities subject to the jurisdiction of the Commission under the Federal Power Act. (See section 201(e) of said act.)

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

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

20. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

21. "Service life" means the time between the date electric plant is includible in electric plant in service, or electric

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

22. "Service value" means the difference between original cost and net salvage value of electric plant.

23. "State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States.

24. "Utility," as used herein and when not otherwise indicated in the context, means any public utility or licensee to which this system of accounts is applicable.

General Instructions

1. Classification of Utilities.

A. For the purpose of applying systems of accounts prescribed by the Commission, electric utilities and licensees are divided into four classes as follows:

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

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

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

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

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

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

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

2. Records.

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

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

C. Each utility shall keep its books on either a monthly or quarterly basis. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Commission.

3. Item Lists.

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts. In cases of doubtful interpretation, the matter shall be submitted to the Commission for decision.

4. *Distribution of Pay and Expenses of Employees.*

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

5. *Functions and Accounts not Included.*

If the utility contemplates or is following accounting for deferred taxes on income (and is permitted by the Commission to practice such accounting) it shall use the accounts for deferred taxes on income prescribed for Classes A and B or Class C electric utilities and licensees and comply with the related instructions and account texts of such Class A and B or Class C Uniform System of Accounts as though such accounts and instructions were a part of this system of accounts.

6. *Separate Accounts or Records for Each Licensed Project.*

The accounts or records of each licensee shall be so kept as to show for each project under license:

(a) the actual legitimate original cost of the project, including the original cost (or fair value as determined under section 23 of the Federal Power Act) of the original project, the original cost of additions thereto and betterments thereof, credits for property retired from service, and credits for related contributions in aid of construction, as determined under the Commission's regulations;

(b) the charges for operation and maintenance of the project property directly assignable to the project;

(c) the credits and debits to the depreciation reserve account, and the balance in such account;

(d) the credits and debits to operating revenue, income, and surplus accounts that can be identified with and directly assigned to the project.

NOTE: The purpose of this instruction is to insure that accounts or records are currently maintained by each licensee from which reports may be made to the Commission for use in determining the net investment in each licensed project. The instruction covers only the debit and credit items appearing in the licensee's accounts which may be identified with and assigned directly to any licensed project. In the determina-

tion of the net investment as defined in section 3 of the Federal Power Act, allocations of items affecting the net investment may be required where direct assignment is not practicable.

Electric Plant Instructions

1. *Electric Plant To Be Recorded at Cost.*

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

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis (see, however, Definition 5). In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

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

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

2. *Components of Construction Cost.*

The cost of construction of property chargeable to the electric plant accounts shall include, where applicable, the cost of labor, materials and supplies, transportation, work done by others for the utility, injuries and damages incurred in construction work, privileges and permits, special machine service, interest during construction and such portion of general engineering, administrative salaries and expenses, insurance, taxes and other analogous items as may be properly includible in construction costs.

3. *Land and Land Rights.*

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submerison rights, rights of way, and other like interest in land.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

C. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to utility operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

D. When the purchase of land for utility operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 394, Property Held for Future Use, or account 121, Nonutility Property, as appropriate.

4. *Structures and Improvements.*

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

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

C. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

D. Where the structure of a dam forms also the foundation of the power plant building, such foundation shall be considered a part of the dam.

5. *Equipment.*

A. The cost of equipment chargeable to the electric plant accounts, unless otherwise indicated in the text of an

equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.

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

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

6. Electric Plant Retired.

A. When depreciable electric plant is abandoned, destroyed, withdrawn or otherwise retired from service for any cause, the book cost of the plant shall be deducted from the electric plant accounts and charged to accumulated provision for depreciation. The cost of removing such plant (except customer meters and line transformers) shall be charged to accumulated provision for depreciation and the amount received for any materials recovered and sold, or salvage value if returned to stores, shall be credited to the accumulated provision for depreciation. It is not intended that the above procedure shall be followed in the replacement of minor items of plant, the replacement of which is charged to operating expense accounts.

B. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any accumulated provision for depreciation or amortization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate. If the land is not used in utility service but is retained by the utility, the book cost shall be charged to account 394, Electric Plant Held for Future Use, or account 121, Nonutility Property, as appropriate.

C. The book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts, including all com-

ponents of construction costs. The book cost shall be determined from the utility's records and, if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any difference in size and character, shall be used as the book cost of the units retired.

Balance Sheet Accounts

ASSETS AND OTHER DEBITS

1. UTILITY PLANT

- 100 Electric plant.
- 110 Accumulated provision for depreciation and amortization of electric plant.
- 118 Other utility plant.
- 119 Accumulated provision for depreciation and amortization of other utility plant.

2. OTHER PROPERTY AND INVESTMENTS

- 121 Nonutility Property.
- 122 Accumulated provision for depreciation and amortization of nonutility property.
- 124 Other investments.
- 125 Special funds.

3. CURRENT AND ACCRUED ASSETS

- 131 Cash and working funds.
- 132 Temporary cash investments.
- 141 Notes receivable.
- 142 Customer accounts receivable.
- 143 Other accounts receivable.
- 144 Accumulated provision for uncollectible accounts—Cr.
- 150 Materials and supplies.
- 165 Prepayments.
- 170 Other current and accrued assets.

4. DEFERRED DEBITS

- 181 Unamortized debt discount and expense.
- 182 Extraordinary property losses.
- 183 Other deferred debits.

LIABILITIES AND OTHER CREDITS

5. PROPRIETARY CAPITAL

- 201 Common capital stock.
- 204 Preferred capital stock.
- 207 Other paid-in capital.
- 212 Installments received on capital stock.
- 213 Discount on capital stock.
- 214 Capital stock expense.
- 215 Appropriated earned surplus.
- 216 Unappropriated earned surplus.
- 217 Reacquired capital stock.
- 218 Non-corporate proprietorship.

6. LONG-TERM DEBT

- 221 Bonds.
- 223 Advances from associated companies.
- 224 Other long-term debt.

7. CURRENT AND ACCRUED LIABILITIES

- 231 Notes payable.
- 232 Accounts payable.
- 235 Customer deposits.
- 236 Taxes accrued.
- 237 Interest accrued.
- 238 Other current and accrued liabilities.

8. DEFERRED CREDITS

- 251 Unamortized premium on debt.
- 252 Customer advances for construction.
- 253 Other deferred credits.

9. OPERATING RESERVES

- 261 Property insurance reserve.
- 264 Amortization reserve—Federal.
- 265 Miscellaneous operating reserves.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

- 271 Contributions in aid of construction.

Balance Sheet Accounts

1. UTILITY PLANT

100 Electric plant.

A. This account shall include the book amount of electric plant, included in the plant accounts 301 to 397, inclusive, prescribed herein, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees.

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be maintained in subdivisions separate and distinct from those relating to owned property.

110 Accumulated provision for depreciation and amortization of electric plant.

A. This account shall be credited with the following:

(1) Amounts charged to account 403, Depreciation Expense, to account 404, Amortization Expense, to account 413, Expenses of Electric Plant Leased to Others, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or to clearing accounts for currently accruing depreciation or amortization of plant.

(2) Amounts charged to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation or amortization.

(3) Amounts of depreciation applicable to electric properties acquired as operating units or systems.

(4) Amounts chargeable to account 182, Extraordinary Property Losses, when authorized by the Commission.

(5) Amounts of depreciation applicable to electric plant donated to the utility.

B. At the time of retirement of electric plant, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance.

C. The credits and debits to this account shall be so kept as to show separately: (1) the amount of accrual for depreciation or amortization, (2) the book cost of property retired, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance.

D. The utility is restricted in its use of the accumulated provision for depreciation to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission.

118 Other utility plant.

This account shall include the balances in accounts for utility plant, other than electric plant, such as gas, railway, etc.

119 Accumulated provision for depreciation and amortization of other utility plant.

This account shall include the accumulated provision for depreciation and amortization applicable to utility property other than electric plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.

This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 394, Electric Plant Held for Future Use.

122 Accumulated provision for depreciation and amortization of nonutility property.

This account shall include the accumulated provision for depreciation and amortization applicable to property other than utility plant.

124 Other investments.

A. This account shall include the book cost of investments in securities issued or assumed by other companies, investment advances to such companies, and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest-bearing investments. (See account 419, Interest and Dividend Income.)

B. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

125 Special funds.

This account shall include the amount of cash and book cost of investments which have been segregated in special funds for bond retirements, property additions, and replacements, insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

NOTE A: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall not be included in this account.

NOTE B: Licensees under the Federal Power Act which are required to establish an amortization fund under terms of the license shall provide a special subdivision of this account for the purpose of accounting for and identifying the cash, investments or other specific assets associated with account 264, Amortization Reserve—Federal.

3. CURRENT AND ACCRUED ASSETS

131 Cash and working funds.

This account shall include the amount of cash on hand and in banks and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

NOTE: Special deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 125, Special Funds.

132 Temporary cash investments.

A. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United

States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

141 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue.

NOTE: The face amount of notes receivable, discounted, sold, or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142 Customer accounts receivable.

A. This account shall include amounts due from customers for utility service, and for merchandising, jobbing and contract work.

B. This account shall be maintained so as to permit ready segregation of the amounts due for merchandising, jobbing and contract work.

143 Other accounts receivable.

A. This account shall include amounts due the utility upon open accounts, other than amounts due from customers for utility services and merchandising, jobbing and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds.

144 Accumulated provision for uncollectible accounts—Cr.

A. This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 590, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the writeoffs of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

- Utility Customers.
- Merchandising, Jobbing and Contract Work.
- Officers and Employees.
- Other.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B: If provisions for uncollectible notes receivable are necessary, separate sub-accounts therefor shall be established under account 141, Notes Receivable.

150 Materials and supplies.

A. This account shall include the cost of fuel on hand and unapplied materials and supplies (except line transformers and meters). It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance, or accumulated depreciation provision, respectively, and included herein as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.

(2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

(3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realized therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable, shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative-average, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

C. Inventories of materials, supplies, fuel, etc. shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged.

ITEMS

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customers duties and excise taxes.
4. Cost of inspection and special tests prior to acceptance.
5. Insurance and other directly assignable charges.

NOTE A: Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be

charged to a stores expense clearing account and distributed therefrom to the appropriate account.

NOTE B: When materials and supplies are purchased for immediate use, they need not be carried through this account but may be charged directly to the appropriate utility plant or expense account.

165 Prepayments.

A. This account shall include the amount of rents, taxes, insurance, interest and like disbursements made in advance of the period to which they apply. As the periods covered by such prepayments expire, credit this account and charge the proper operating expense or other account with the amount applicable to the period.

B. This account shall be kept or supported in such manner as to disclose the amount of each class of prepayments.

170 Other current and accrued assets.

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.

A. This account shall include the total of the unamortized balance of discount and expense for all classes of long-term debt.

B. The discount and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be charged to account 428, Amortization of Debt Discount and Expense. The utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

182 Extraordinary property losses.

A. When authorized or directed by the Commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provisions for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all, or a portion, of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Commission for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges, and other pertinent information.

183 Other deferred debits.

A. This account shall include the following classes of items:

(1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plan. If the work is abandoned, the charge shall be to account 435, Miscellaneous Debits to Surplus, or to the appropriate operating expense account.

(2) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein related to a future period.

(3) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

(4) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein.

5. PROPRIETARY CAPITAL

201 Common capital stock.

204 Preferred capital stock.

A. These accounts shall include the par value or the stated value of stock without par value if such stock has a stated value, and, if not, the cash value of the consideration received for such nonpar stock, of each class of capital stock actually issued, including the par or stated value of such capital stock in account 217, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more or less than the par or stated value of any stock having a par or stated value, the difference shall be credited or debited, as the case may be, to the premium or discount account for the particular class and series.

C. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

NOTE: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment shall be credited to account 207, Other Paid-In Capital: *Provided, however*, That the credit shall be made to account 213, Discount on Capital Stock, to the extent of any remaining balance of discount on the issue of stock.

207 Other paid-in capital.

This account shall include the balance of all other credits for paid-in capital not includible in the capital stock accounts, and shall be kept so as to show the source of the credits includible herein.

ITEMS

1. Premium received on original issues of capital stock.

2. Donations received from stockholders consisting of capital stock or reduction of debt of the utility, and the cash value of other assets received as a donation.

3. Reduction in par or stated value of capital stock.

4. Gain on resale or cancellation of reacquired capital stock.

5. Miscellaneous paid-in capital.

NOTE: Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expense of another issue of the same class or series.

212 Installments received on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan for subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and the appropriate capital stock account credited with the par or stated value of such stock. Any discount or premium on an original issue shall be included in the appropriate discount or premium account.

213 Discount on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock all discount on the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues.

B. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital: *Provided, however*, That the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock discount in whole or in part to account 435, Miscellaneous Debits to Surplus.

214 Capital stock expense.

A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital, to the extent of gains on resale or cancellation of reacquired stock includible therein: *Provided, however,* That the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207, from such source.

C. The utility may amortize the balance carried in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

NOTE: Expenses in connection with the reacquisition or resale of the utility's capital stock shall not be included herein.

215 Appropriated earned surplus.

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216 Unappropriated earned surplus.

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include items includible in any subaccount of account 207, Other Paid-In Capital.

217 Reacquired capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock, the cost of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is retired or canceled, the difference between its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 207, Other Paid-In Capital, provided, however, that debits shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that they exceed the balance of gains on resale or cancellation of reacquired stock included in account 207.

C. When reacquired capital stock is resold by the utility, the difference between the amount received on the resale of the stock, less expenses incurred in the resale, and the cost of the stock included in this account shall be accounted for as outlined in paragraph B.

NOTE: The accounting for reacquired stock shall be as prescribed herein unless otherwise specifically required by statute.

218 Noncorporate proprietorship.

This account shall include the investment in an unincorporated utility by the proprietor thereof, and shall be charged with all withdrawals from the business by its proprietor. At the end of

each calendar year the net income for the year, as developed in the income account, shall be transferred to this account. (See optional accounting procedure provided in Note C, hereunder.)

NOTE A: Amounts payable to the proprietor as just and reasonable compensation for services performed shall not be charged to this account but to appropriate operating expense or other accounts.

NOTE B: When the utility is owned by a partnership, a separate account shall be kept to show the net equity of each member therein and the transactions affecting the interest of each such partner.

NOTE C: This account may be restricted to the amount considered by the proprietor to be the permanent investment in the business, subject to change only by additional investment by the proprietor or the withdrawal of portions thereof not representing net income. When this option is taken, the earned surplus accounts shall be maintained and entries thereto shall be made in accordance with the texts thereof.

6. LONG-TERM DEBT

221 Bonds.

A. Separate accounts shall be maintained hereunder for unmatured bonds of each class and series. Each such account shall be subdivided so as to show: (1) the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also, the face value of such bonds issued by others, the payment of which has been assumed by the utility, (2) the face value of bonds actually issued or assumed by the utility and reacquired by it and not paid, retired, or canceled. The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

B. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus as appropriate.

223 Advances from associated companies.

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

224 Other long-term debt.

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption.

B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

NOTE: Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedures set forth in account 221, Bonds.

7. CURRENT AND ACCRUED LIABILITIES

231 Notes payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue.

232 Accounts payable.

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

235 Customer deposits.

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236 Taxes accrued.

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

C. Accruals for taxes shall be based upon the net amount payable after credit for any discounts and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

237 Interest accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility, not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

PROPOSED RULE MAKING

238 Other current and accrued liabilities.

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

ITEMS

1. Dividends declared but not paid.
2. Matured long-term debt.
3. Matured interest.
4. Taxes collected through payroll deductions or otherwise pending transmittal to the proper taxing authority.

8. DEFERRED CREDITS**251 Unamortized premium on debt.**

A. This account shall include the total of the unamortized balance of premium and expense for all classes of long-term debt, including receivers' certificates.

B. The premium and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be credited to account 429, Amortization of Premium on Debt.—Cr.

252 Customer advances for construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

253 Other deferred credits.

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

9. OPERATING RESERVES**261 Property insurance reserve.**

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

264 Amortization reserve—Federal.

A. This account shall be credited with such amounts as are appropriated or set aside by a licensee from earnings for amortization purposes in accordance with the requirements of a license; also the interest derived from the "Amortization Fund—Federal," or income from investments belonging to such fund.

B. This account shall be debited with only such items or amounts as the Commission may require or approve. (See account 125, Amortization Fund—Federal.)

265 Miscellaneous operating reserves.

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

NOTE: This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits for which should be carried in account 215, Appropriated Earned Surplus.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION**271 Contributions in aid of construction.**

A. This account shall include donations or contributions in cash, services, or property from states, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without the approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) States, (b) municipalities, (c) customers and (d) others, and the amount applicable to each utility department.

D. This account shall be subdivided as follows:

Contributions in Aid of Construction—General.
Contributions in Aid of Construction—Federal.

Contributions in Aid of Construction—General shall include all the donations to the various utility departments except those which are made in respect to a licensed project. Contributions in Aid of Construction—Federal shall be kept only by licensees. There shall be included therein donations from States, municipalities, individuals or others which have been expended for plant, or which are included in the plant accounts, of a licensed project, referred to in section 3, subsection (13) of the Federal Power Act, 49 Stat. 839; 16 U.S.C. 796(13). This treatment shall not affect the determination of actual legitimate original cost or net investment in accordance with the Act.

NOTE: There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. (See account 252, Customer Advances for Construction.)

Electric Plant Accounts**1. INTANGIBLE PLANT**

- 301 Organization.
- 302 Franchises and consents.
- 303 Miscellaneous intangible plant.

2. PRODUCTION PLANT**A. STEAM PRODUCTION**

- 310 Land and land rights.
- 311 Structures and improvements.
- 312 Steam power equipment.

B. HYDRAULIC PRODUCTION

- 330 Land and land rights.
- 331 Structures and improvements.
- 332 Reservoirs, dams, and waterways.
- 333 Hydraulic power equipment.

C. OTHER PRODUCTION

- 340 Land and land rights.
- 341 Structures and improvements.
- 342 Other power equipment.

3. TRANSMISSION AND DISTRIBUTION PLANT

- 350 Land and land rights.
- 351 Structures and improvements.
- 352 Station equipment.
- 353 Overhead lines.
- 356 Underground lines.
- 358 Line transformers.
- 360 Meters.
- 361 Installations on customers' premises.
- 362 Leased property on customers' premises.
- 363 Street lighting and signal systems.

4. GENERAL PLANT

- 370 Land and land rights.
- 371 Structures and improvements.
- 372 Office furniture and equipment.
- 373 Transportation equipment.
- 379 Other general equipment.

5. OTHER ELECTRIC PLANT

- 390 Other tangible property.
- 391 Electric plant purchased or sold.
- 392 Electric plant in process of reclassification.
- 393 Electric plant leased to others.
- 394 Electric plant held for future use.
- 395 Construction work in progress—Electric.
- 396 Electric plant acquisition adjustments.
- 397 Other electric plant adjustments.

Electric Plant Accounts**1. INTANGIBLE PLANT****301 Organization.**

This account shall include the cost of organizing and incorporating the utility and putting it into readiness to do business. This includes the cost of legal services, amounts paid for privileges of incorporation, office expenses, incident to organizing the company and stock and minute books and corporate seal.

NOTE: This account shall not include any discounts upon securities issued or assumed, nor shall it include any costs incident to negotiating loans, selling bonds, or other evidences of debt, or expenses in connection with the authorization, issuance or sale of capital stock.

302 Franchises and consents.

A. This account shall include amounts paid to the federal government, to a state or to a political subdivision thereof in consideration for franchises, consents, water power licenses, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, water power licenses, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises.

B. If a franchise, consent, water power license, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 435, Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or to account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant, as appropriate.

D. Records supporting this account shall be maintained so as to show separately the book cost of each franchise or consent.

NOTE: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

303 Miscellaneous intangible plant.

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant, as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

2. PRODUCTION PLANT

A. STEAM PRODUCTION

310 Land and land rights.

This account shall include the cost of land and land rights used in connection with steam-power generation. (See electric plant instruction 3.)

311 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with steam-power generation. (See electric plant instruction 4.)

NOTE: Include steam production roads and railroads in this account.

312 Steam power equipment.

This account shall include the cost installed of equipment in steam production plants used in generating electricity, such as:

(1) Furnaces, boilers, coil and ash-handling equipment, steam and feed water piping, water supply and purification systems, boiler apparatus and accessories.

(2) Steam engines, reciprocating or rotary, and their associated auxiliaries; generators, engine driven and turbine driven.

(3) Accessory and other equipment in steam plants.

NOTE: This account shall not include boilers or steam pipes whose primary purpose is the heating of structures.

B. HYDRAULIC PRODUCTION

330 Land and land rights.

This account shall include the cost of land and land rights used in connection with hydraulic power generation. (See electric plant instruction 3.)

331 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with hydraulic power generation. (See electric plant instruction 4.)

332 Reservoirs, dams and waterways.

This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation and delivery of water used primarily for generating electricity. This includes reservoirs, dams and waterways with all construction appurtenant thereto, such as spillways, flash boards, gates, canals, tunnels, gate houses, fish ladders, intakes, flumes, penstocks, forbays, tail-races, and all other construction identified therewith.

333 Hydraulic power equipment.

This account shall include the cost installed of equipment in hydraulic power plants used in generating electricity, such as:

(1) Water wheels and hydraulic turbines and generators driven thereby and their accessories.

(2) Accessory and other equipment in hydraulic power plants.

C. OTHER PRODUCTION

340 Land and land rights.

This account shall include the cost of land and land rights used in connection with other power generation. (See electric plant instruction 3.)

341 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with other power generation. (See electric plant instruction 4.)

342 Other power equipment.

This account shall include the cost installed of equipment in internal combustion engine and other power production plants used in generating electricity, such as:

(1) Fuel handling and storage equipment, and gas producers and accessories devoted to the production of gas for use in internal combustion engines driving electric generators.

(2) Diesel engines or other prime movers with their auxiliaries.

(3) Generators and their accessories.

(4) Accessory and other equipment in other power production plants.

3. TRANSMISSION AND DISTRIBUTION PLANT

350 Land and land rights.

This account shall include the cost of land and land rights used in connection

with transmission and distribution operations. (See electric plant instruction 3.)

351 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with transmission and distribution operations. (See electric plant instruction 4.)

352 Station equipment.

This account shall include the cost installed of transforming, conversion, and switching equipment, including transformer banks, etc., used for the purpose of changing the characteristics of electricity in connection with its transmission or distribution, and equipment for controlling the electric circuits.

NOTE: The cost of rectifiers, series transformers and other special station equipment devoted exclusively to street lighting or signal system service shall not be included in this account, but in account 363, Street Lighting and Signal Systems.

353 Overhead lines.

A. This account shall include the cost installed of overhead transmission and distribution lines, including:

(1) Poles, towers, and appurtenant fixtures, such as anchors, guys, cross-arms, brackets, guards, pins, pole steps, transformer racks, and platforms, pole plates, etc.

(2) Wire and cable, circuit breakers, insulators, clamps, lightning arresters and ground wires, switches and other line devices, except transformers.

(3) Services, i.e., conductors leading from last pole to the connection with customer's service outlet and wiring.

B. The costs chargeable to this account include also such items as permits, municipal inspection, protection of street openings, etc.

NOTE: The cost of plant used solely for street lighting or signal systems shall not be included in this account but in account 363, Street Lighting and Signal Systems.

356 Underground lines.

A. This account shall include the cost installed of underground transmission and distribution lines, including:

(1) Conduit, including foundations, manholes, lighting systems, sewer connections, ventilating equipment, etc.

(2) Wire and cable, circuit breakers, insulators, clamps, lightning arresters, switches, and other line devices, except transformers.

(3) Service, i.e., conductors, leading from distribution box or manhole to the connection with customer's service outlet or wiring.

B. The costs chargeable to this account include also such items as permits, municipal inspection, protection of street openings, etc.

NOTE: The cost of plant used solely for street lighting or signal systems shall not be included in this account but in account 363, Street Lighting and Signal Systems.

358 Line transformers.

A. This account shall include the cost installed of overhead and underground distribution line transformers and pole-type and underground voltage regulators

owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer, and the cost of transformers held in reserve. The installation cost includible herein is the first installation only.

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

C. The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various types and capacities in service and those in reserve, and the location and the use of each transformer.

ITEMS

1. Installation, labor of (first installation only).
2. Network protectors, installed.
3. Transformers, line and network.
4. Transformer cut-out boxes, installed.
5. Transformer lightning arrester, installed.
6. Voltage regulators.
7. Capacitors.

NOTE A: The cost of removing and resetting line transformers shall not be charged to this account but to account 550, Supervision and Labor.

NOTE B: The cost of line transformers used solely for street lighting or signal systems shall be included in account 363, Street Lighting and Signal Systems.

360 Meters.

A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, and the cost of meters held in reserve. The installation cost includible herein is the first installation only.

B. When a meter is permanently retired from service, the installed cost 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 various types and capacities in service and in reserve as well as the location of each meter owned.

ITEMS

1. Meters.
2. Current limiting devices.
3. Demand indicators.
4. Instrument transformers.
5. Meter badges and their attachments, installed.
6. Testing new meters.
7. Installation, labor of (first installation only).
8. Meter boards and boxes, installed.
9. Meter fittings and materials used in installation.
10. Meter switches and cut-outs, installed.
11. Protective devices, installed.

NOTE A: This account shall not include meters for recording output of a generating station, substation meters, etc. It includes only meters for use to record energy delivered to customers.

NOTE B: The cost of removing and resetting meters shall be charged to account 550, Supervision and Labor.

361 Installations on customers' premises.

This account shall include the cost installed of equipment on the customers' side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of

such property. This account shall not include equipment leased to customers. (See account 362, Leased Property on Customers' Premises.)

ITEMS

1. Cable vaults.
2. Commercial lamp equipment.
3. Foundations and setting specially provided for equipment included herein.
4. Frequency changer sets.
5. Motor generator sets.
6. Motors.
7. Switchboard panels, high or low tension.
8. Wire and cable connections to incoming cables.

NOTE: Do not include in this account any costs incurred in connection with merchandising, jobbing or contract work activities.

362 Leased property on customers' premises.

This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporations), leased to customers, but not including property held for sale.

NOTE A: The cost of setting and connecting such appliances or equipment on the premises of customers and the cost of resetting or removal shall not be charged to this account but to operating expense account 550, Supervision and Labor.

NOTE B: Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

363 Street lighting and signal systems.

This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police and other signal systems.

ITEMS

1. Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
2. Automatic control equipment.
3. Conductors, overhead or underground, including lead or fabric covered, parkway cables, etc., including splices, insulators, etc.
4. Conduit runs used solely for street lighting or signal systems, not including ducts in a bank, part of which is used or held for use for other purposes.
5. Lamps, arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
6. Municipal inspection.
7. Ornamental lamp posts.
8. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
9. Permits.
10. Poles and towers and appurtenant attachments.
11. Posts and standards.
12. Protection of street openings.
13. Relays or time clocks.
14. Series contactors.
15. Switches.
16. Transformers, pole or underground.
17. Transformers, rectifiers, and other special station equipment devoted exclusively to street lighting and signal systems.

4. GENERAL PLANT

370 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 electric plant instruction 3.)

371 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 electric plant instruction 4.)

372 Office furniture and equipment.

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

ITEMS

1. Bookcases 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.

373 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.

379 Other general equipment.

This account shall include the cost installed of the following equipment:

(1) Equipment used for the receiving, shipping, handling and storage of materials and supplies when not an integral part of the housing structure.

(2) Equipment specially provided for general shops when such equipment is not an integral part of the housing structure.

(3) Laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts.

(4) Tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts.

(5) Other general equipment, apparatus, etc., used in the utility's electric operations, and which is not includible in any other account.

NOTE: General equipment of the nature indicated above whenever practicable shall be assigned to the electric plant accounts on a functional basis.

5. OTHER ELECTRIC PLANT

390 Other tangible property.

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

391 Electric plant purchased or sold.

This account shall be charged with the cost of utility plant acquired as an op-

erating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts as the Commission shall approve or direct.

392 Electric plant in process of reclassification.

A. This account shall include temporarily the balance of electric plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the electric plant accounts herein prescribed (301-390), but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified electric plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

393 Electric plant leased to others.

A. This account shall include the original cost of electric plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts (301-390) prescribed for electric plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

394 Electric plant held for future use.

A. This account shall include the original cost of property owned and held for future use in electric service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in electric service, but held for such service in the future under a definite plan, and property previously used by the utility in electric service pending its reuse in the future, under a definite plan, in electric service.

B. The property included in this account shall be classified according to the detailed accounts (301-390) prescribed for electric plant in service and the account shall be maintained in such detail as though the property were in service.

Note: Materials and supplies, meters and transformers held in reserve, and normal spare capacity of plant in service shall not be included in this account.

395 Construction work in progress—Electric.

This account shall include the total of the balances of work orders for electric plant in process of construction but not ready for service at the date of the balance sheet.

396 Electric plant acquisition adjustments.

A. This account shall include the difference between (a) the cost to the accounting utility of electric plant acquired

as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provision for depreciation and amortization and contributions in aid of construction with respect to such property.

B. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may approve or direct.

397 Other electric plant adjustments.

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of electric plant to the extent that such difference is not properly includible in account 396, Electric Plant Acquisition Adjustments.

B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the Commission may approve or direct.

Note: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of electric plant.

Income Accounts

1. UTILITY OPERATING INCOME

- 400 Operating revenues.
- Operating expenses:
 - 401 Operation and maintenance expense.
 - 403 Depreciation expense.
 - 404 Amortization expense.
 - 408 Taxes other than income taxes.
 - 409 Income taxes.
- Total operating expenses.
- Operating income.
- 412-413 Income from electric plant leased to others.
- 414 Other utility operating income.
- Total operating income.

2. OTHER INCOME

- 415-416 Income from merchandising, jobbing and contract work.
- 418 Nonoperating rental income.
- 419 Interest and dividend income.
- 421 Miscellaneous nonoperating income.
- Total other income.
- Total income.

3. MISCELLANEOUS INCOME DEDUCTIONS

- 425 Miscellaneous amortization.
- 426 Other income deductions.
- Total income deductions.
- Income before interest charges.

4. INTEREST CHARGES

- 427 Interest on long-term debt.
- 428 Amortization of debt discount and expense.
- 429 Amortization of premium on debt—Cr.
- 430 Interest on debt to associated companies.
- 431 Other interest expense.
- 432 Interest charged to construction—Cr.
- Total interest charges.
- Net income—

5. EARNED SURPLUS

- 216 Unappropriated earned surplus (at beginning of period).
- 433 Balance transferred from income.
- 434 Miscellaneous credits to surplus.
- 435 Miscellaneous debits to surplus.
- 436 Appropriations of surplus.
- Net addition to earned surplus.

- 437 Dividends declared—Preferred stock.
- 438 Dividends declared—Common stock.
- 218 Unappropriated earned surplus (at end of period).

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

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

401 Operation and maintenance expense.

There shall be shown under this caption the total amount included in the electric operation and maintenance expense accounts provided herein and in similar accounts for other utility departments.

403 Depreciation expense.

This account shall include the amount of depreciation expense for all classes of depreciable electric plant in service except such depreciation expense as is chargeable to clearing accounts or to merchandising, jobbing and contract work activities.

404 Amortization expense.

This account shall include amortization charges applicable to amounts included in the electric 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. Include, also, when authorized by the Commission, amortization of extraordinary property losses. (See account 182, Extraordinary Property Losses.)

408 Taxes other than income taxes.

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

B. This account shall be charged 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 more than one utility service, taxes of the kinds includible in this account shall be assigned directly to the utility department the

operation of which gave rise to the tax in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

NOTE A: Taxes applicable to nonutility property or investments, including taxes on net income derived therefrom, shall be charged to the account in which the income from the property or investments is included.

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

NOTE C: Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE D: Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropriate rent expense or clearing account.

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

NOTE F: Social Security and other forms of so-called pay roll taxes shall be distributed to utility departments and to nonutility functions on a basis related to pay roll. Amounts applicable to construction shall be charged to the appropriate plant account.

409 Income taxes.

A. This account shall include the amount of state and federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted accordingly so that this account, as nearly as can be ascertained, shall include the actual taxes payable which are chargeable to utility operations.

B. The accruals for income taxes shall be apportioned among utility departments and nonutility operations so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or nonutility operation the income from which gave rise to the tax.

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

NOTE B: Income taxes on income from electric plant leased to others shall be charged to account 413, Expenses of Electric Plant Leased to Others.

NOTE C: Where statutes or regulatory practices require that the profits or losses of merchandising, jobbing and contract work shall not be considered in arriving at rates to be charged for utility service, income taxes on income from merchandising, jobbing and contract work shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

NOTE D: Income taxes on nonutility income shall be charged to the account in which the income is included.

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

412 Revenues from electric plant leased to others.

413 Expenses of electric plant leased to others.

A. These accounts shall include, respectively, revenues from electric property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 393, Electric Plant Leased to Others, and the expenses attributable to such property.

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

- Operation and Maintenance.
- Rents.
- Depreciation.
- Amortization.
- Taxes Other Than Income Taxes.
- Income Taxes.

414 Other utility operating income.

A. This account shall include the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 118, Other Utility Plant.

B. The expenses shall include every element of cost incurred in such operations, including depreciation, rents, taxes, and insurance.

2. OTHER INCOME

415 Revenues from merchandising, jobbing and contract work.

416 Costs and expenses of merchandising, jobbing and contract work.

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.

NOTE: The revenues and expenses of merchandising, jobbing and contract work shall be reported in these accounts if a state regulatory body having jurisdiction over the utility requires the net income therefrom to be reported as other income; but the revenues and expenses shall be reported in accounts 592 and 593 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 592 and 593 at its option, in which case the practice of the utility must be consistent.

ITEMS

Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 416:

1. Cost of merchandise sold and materials used in jobbing work.
2. Labor and expenses incurred in merchandising and jobbing operations.

418 Nonoperating rental income.

This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property.

419 Interest and dividend income.

A. This account shall include interest revenues on securities, loans, advances,

special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking- or other special-fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Surplus.

421 Miscellaneous nonoperating income.

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to Surplus.

ITEMS

1. Amortization of utility plant acquisition adjustments or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.

2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the Commission.

3. Amortization of capital stock discount or expenses when in accordance with a systematic amortization program.

426 Other income deductions.

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

ITEMS

1. Donations for charitable, social or community welfare purposes.

2. Life insurance of officers and employees where utility is beneficiary (net premiums less increase in cash surrender value of policies).

3. Penalties or fines for violation of statutes pertaining to regulation.

NOTE: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

4. INTEREST CHARGES

427 Interest on long-term debt.

A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

B. This account shall be so kept or supported as to show the interest accruals on each class and series of long-term debt.

NOTE: This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

428 Amortization of debt discount and expense.

A. This account shall include the amortization of unamortized debt discount and expense on outstanding long-term debt. Amounts charged to this account shall be credited concurrently to account 181, Unamortized Debt Discount and Expense.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429 Amortization of premium on debt—Cr.

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 251, Unamortized Premium on Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

430 Interest on debt to associated companies.

A. This account shall include the interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

431 Other interest expense.

This account shall include all interest charges not provided for elsewhere.

ITEMS

1. Interest on notes payable on demand, or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.
2. Interest on customers' deposits.
3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.
4. Income and other taxes levied upon bondholders of utility and assumed by it.

432 Interest charged to construction—Cr.

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. No interest shall be capitalized on plant which is completed and ready for service.

5. EARNED SURPLUS

433 Balance transferred from income.

This account shall include the net credit or debit transferred from income for the year.

434 Miscellaneous credits to surplus.

This account shall include credits affecting earned surplus not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be credited to this account is not significant with respect to net income determination for the year, it may be credited to the appropriate nonoperating income account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Delayed credits.
2. Profit on reacquisition and resale or retirement of utility's debt securities.
3. Profit on sale of property or investments.

435 Miscellaneous debits to surplus.

This account shall include amounts chargeable to earned surplus but not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be charged to this account is not significant with respect to net income determination for the year, it may be charged to the appropriate nonoperating income deduction account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Decline in value of investments.
2. Delayed debits.
3. Loss on reacquisition and resale or retirement of utility's debt securities.
4. Provision for past accrued depreciation not provided for.
5. Long-term debt discount and expense written off.
6. Loss on sale of property or investments.
7. Write off of utility plant acquisition adjustments or of intangibles when not done under an orderly systematic program indicating the propriety of inclusion of the annual charges in account 425, Miscellaneous Amortization.
8. Preliminary survey and investigation expenses on abandoned projects.
9. Income taxes, both State and Federal, occasioned by items included in account 434, Miscellaneous Credits to Surplus.
10. Charges from retirement or resale of reacquired capital stock.

436 Appropriations of surplus.

This account shall include appropriations of earned surplus for purposes not provided for elsewhere in this system of accounts.

ITEMS

1. Appropriations of income required under terms of mortgages, orders of courts, contracts or other agreements.
2. Appropriations of income required by action of regulatory authorities.
3. Miscellaneous appropriations of income made at option of utility for specified purposes.

437 Dividends declared—preferred stock.

This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding preferred or prior lien capital stock issued by the utility.

438 Dividends declared—common stock.

This account shall include amounts declared payable out of earned surplus

as dividends on actually outstanding common capital stock issued by the utility.

Operating Revenue Accounts

1. SALES OF ELECTRICITY

- 440 Residential sales.
- 442 Commercial and industrial sales.
- 444 Public street and highway lighting.
- 447 Sales for resale.
- 448 Interdepartmental sales.
- 449 Other sales.

2. OTHER OPERATING REVENUES

- 450 Forfeited discounts.
- 456 Other electric revenues.

Operating Revenue Accounts

1. SALES OF ELECTRICITY

440 Residential sales.

A. This account shall include the net billing for electricity supplied for residential or domestic purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

NOTE: When electricity supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account, or account 442, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to principal use.

442 Commercial and industrial sales.

A. This account shall include the net billing for electricity supplied to customers for commercial and industrial purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

NOTE: When electricity supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account, or in account 440, Residential Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to the principal use.

444 Public street and highway lighting.

A. This account shall include the net billing for electricity supplied and services rendered for the purposes of lighting streets, highways, parks and other public places, or for traffic or other signal system service, for municipalities or other divisions or agencies of state or federal governments.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received from each customer shall be readily available. In addition, the records shall be maintained so as to show the revenues from (a) contracts which include both electricity and services, and (b) contracts which include sales of electricity only.

447 Sales for resale.

A. This account shall include the net billing for electricity supplied to other electric utilities or to public authorities for resale purposes.

PROPOSED RULE MAKING

B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer.

NOTE: Revenues from electricity supplied to other public utilities for use by them and not for distribution, shall be included in account 442, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

448 Interdepartmental sales.

A. This account shall include amounts charged by the electric department at tariff or other specified rates for electricity supplied by it to other utility departments.

B. Records shall be maintained so that the quantity of electricity supplied each other department and the charges therefor shall be readily available.

449 Other sales.

A. This account shall include revenues for electricity supplied which are not provided for elsewhere.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer.

2. OTHER OPERATING REVENUES

450 Forfeited discounts.

This account shall include the amount of discounts forfeited or additional charges imposed because of the failure of customers to pay their electric bills on or before a specified date.

456 Other electric revenues.

This account shall include revenues derived from electric operations not includible in any of the foregoing accounts.

ITEMS

1. Charges for maintenance of appliances, wiring, piping or other installations on customers' premises.
2. Commission on sale or distribution of electricity of others when sold under rates filed by such others.
3. Fees for changing, connecting or disconnecting service.
4. Minor or incidental management or supervision services charged to others.
5. Profit or loss on sale of material and supplies not ordinarily purchased for resale.
6. Rent from utility plant used in electric operations.
7. Interdepartmental rents.
8. Revenues from transmission of electricity for others.
9. Sales of steam, but not including sales made by a steam-heating department or transfers of steam under joint facility operations.
10. Sale of water and water power.

Operation and Maintenance Accounts

1. PRODUCTION EXPENSES

A. STEAM POWER GENERATION

- 500 Supervision and labor.
- 501 Fuel.
- 502 Supplies and expenses.
- 503 Steam from other sources.
- 504 Steam transferred—Cr.
- 506 Repairs of steam production plant.

B. HYDRAULIC POWER GENERATION

- 520 Supervision and labor.
- 521 Water for power.
- 522 Supplies and expenses.
- 524 Repairs of hydraulic production plant.

C. OTHER POWER GENERATION

- 530 Supervision and labor.
- 531 Fuel.
- 532 Supplies and expenses.
- 534 Repairs of other power production plant.

D. OTHER POWER SUPPLY EXPENSES

- 540 Purchased power.
- 549 Other expenses.

2. TRANSMISSION AND DISTRIBUTION EXPENSES

- 550 Supervision and labor.
- 552 Supplies and expenses.
- 555 Transportation expenses.

3. GENERAL EXPENSES

- 580 Administrative and general salaries.
- 581 Office supplies and expenses.
- 582 Outside services employed.
- 584 Insurance expense.
- 586 Employees pensions and benefits.
- 588 Regulatory commission expenses.
- 589 Miscellaneous general expenses.
- 590 Uncollectible accounts.
- 592 Revenues from merchandising, jobbing, and contract work.
- 593 Costs and expenses of merchandising, jobbing, and contract work.

Operation and Maintenance Accounts

1. PRODUCTION EXPENSES

A. STEAM POWER GENERATION

500 Supervision and labor.

This account shall include the cost of supervision and labor in the operation and maintenance of steam power generating stations.

ITEMS

1. Attending stokers.
2. Blowing flues.
3. Cleaning boilers.
4. Firing and operating furnaces.
5. Handling coal and ashes.
6. Janitor work.
7. Operating water pumps.
8. Operating machinery, switchboard, etc.
9. Repairing steam power plant.
10. Supervision of steam power operation and maintenance.
11. Testing steam meters.

501 Fuel.

This account shall include the cost delivered at stations of coal, oil, gas or other fuel used in the production of steam which is used in generating electricity. This includes the invoice cost of fuel plus freight, switching, hauling and all handling costs incurred in connection with the delivery of the fuel at the station or storage pile. It shall also include the net cost of, or amount realized from, the disposal of ashes.

502 Supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in the operation of steam power generating stations. It shall also include the cost of supplies used in pumping water for steam.

ITEMS

1. Boiler compounds.
2. Boiler inspection fees.
3. Fireroom tools.
4. Filter cleaning.
5. Log sheets and charts.
6. Lubricants for machinery.
7. Packing.
8. Pumping supplies.
9. Rents.
10. Tools.

11. Water for steam.
12. Water purchased for boilers, condensers and cooling engines.
13. Washers.
14. Wipers.

503 Steam from other sources.

This account shall include the cost of steam purchased or transferred from another department of the utility or from others under a joint facility operating arrangement for use in prime movers devoted to the production of electricity.

504 Steam transferred—Cr.

This account shall include credits for expenses of producing steam which are charged to others or to other utility departments under a joint operating arrangement. Include also credits for steam expenses chargeable to other electric accounts outside of the steam generation group. Full details of the basis of determination of the cost of steam transferred shall be maintained.

506 Repairs of steam production plant.

This account shall include the amount of bills from others for repairs made to steam production plant. It does not include the cost of labor of the utility's own plant operating force.

ITEMS

1. Contract work in plants and in rearranging or relocating plant not retired.
2. Repair parts and materials used in maintenance of steam production plant.

B. HYDRAULIC POWER GENERATION

520 Supervision and labor.

This account shall include the cost of supervision and labor in the operation and maintenance of the hydraulic power generating stations.

ITEMS

1. Attending generators.
2. Cleaning reservoirs and dams.
3. Janitor work.
4. Operating intakes.
5. Operating machinery and switchboards.
6. Patrolling flumes.
7. Repairing hydraulic power plant.
8. Supervision of hydraulic production operations.

521 Water for power.

This account shall include the cost of water used for hydraulic power generation.

ITEMS

1. Cost of water purchased from others, including water tolls paid reservoir companies.
2. Periodic payments for licenses or permits from any governmental agency for water rights, or payments based on the use of the water.
3. Periodic payments for riparian rights.
4. Periodic payments for headwater benefits or for detriments to others.

522 Supplies and expenses.

This account shall include the cost of supplies and expenses incurred in the operation of hydraulic generating stations.

ITEMS

1. Log sheets and charts.
2. Lubricants for machinery.
3. Materials to protect dam and gates.
4. Packing.

5. Rents.
6. Tools (hand).
7. Washers.
8. Wipers.

524 Repairs of hydraulic production plant.

This account shall include the amount of bills from others for repairs made to hydraulic production plant. It does not include the cost of labor of the utility's own plant operating force.

ITEMS

1. Contract work in repairing plant and in rearranging or relocating plant not retired.
2. Repair parts and materials used in maintenance of hydraulic production plant.

C. OTHER POWER GENERATION

530 Supervision and labor.

This account shall include the cost of supervision and labor incurred in the operation and maintenance of other power generating stations.

ITEMS

1. Attending generators.
2. Fueling engines.
3. Janitor work.
4. Operating machinery and switchboards.
5. Protective service.
6. Supervision of internal combustion engine production.

531 Fuel.

This account shall include the cost delivered at the station of all fuel, such as gas, oil, kerosene, and gasoline used in internal combustion engines or other prime movers. This includes the invoice cost of fuel plus freight, switching, hauling and all handling costs incurred in connection with the delivery of the fuel at the station. It shall also include the net cost of, or amount realized from, disposal of residuals.

532 Supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in the operation of internal combustion engine power generating stations.

ITEMS

1. Log sheets and charts.
2. Lubricants.
3. Packing, washers, etc.
4. Rents.
5. Tools (hand).

534 Repairs of other power production plant.

This account shall include the amount of bills from others for repairs made to other power production plant. It does not include the cost of labor of the utility's own plant operating force.

ITEMS

1. Contract work in repairing plant and in rearranging or relocating plant not retired.
2. Repair parts and materials used in maintenance of other power production plants.

D. OTHER POWER SUPPLY EXPENSES

540 Purchased power.

A. This account shall include the cost at the point of delivery to the utility of electricity purchased for resale, including net settlements for exchange of electricity or power.

B. The records shall be so kept as to show, by months, the demands and demand charges and kilowatt-hours and prices thereof under each purchase or interchange agreement.

549 Other expenses.

A. This account shall be charged with any production expenses, including expenses incurred directly in connection with the purchase of electricity, which are not specifically provided for in other production expense accounts. Charges to this account shall be supported so that a description of each type of charge will be readily available.

B. Recoveries from insurance companies, under use and occupancy provisions of policies, of amounts in reimbursements of excessive or added production costs for which the insurance company is liable under the terms of the policy shall be credited to this account.

2. TRANSMISSION AND DISTRIBUTION EXPENSES

550 Supervision and labor.

This account shall include the cost of supervision and labor in connection with the operation and maintenance of transmission and distribution plant. This includes the pay of employees engaged in the care and operation of transformers, conversion equipment, transmission and switching substations, transmission and distribution lines, structures, street lighting equipment and services on customers' premises.

ITEMS

1. Cutting and replacing pavement, pavement base and sidewalks, in connection with repairs.
2. Inspecting and testing lightning arresters.
3. Inspecting, testing, removing and resetting transformers or meters, but not including initial testing chargeable to utility plant.
4. Load dispatching.
5. Maintaining roads, trails and bridges.
6. Operating substations and switching stations.
7. Pulling up slack.
8. Patrolling, testing, etc.
9. Repairing customer installations and services.
10. Repainting towers and structures.
11. Repairing conductors and devices.
12. Repairing and maintaining transmission and distribution structures.
13. Repairing materials for reuse.
14. Rearranging and changing the location of property not retired.
15. Refusing transformer cut-outs.
16. Renewing oil, repainting and rewinding transformers.
17. Replacing minor items of plant.
18. Restoring the condition of property damaged by storm, flood, etc.
19. Straightening poles and crossarms.
20. Tightening guys and racking stubs.
21. Trimming trees, clearing brush, etc.
22. Testing for, locating and clearing trouble.
23. Tools and implements used.
24. Voltage surveys.

552 Supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in the operation and maintenance of transmission and distribution plant.

ITEMS

1. Distilled water for storage batteries.
2. Gloves.
3. Lamps and globes.
4. Lubricants.
5. Maps and records.
6. Material used in repair and maintenance, such as brushes for boosters and compensators, brackets, wire, paint, insulators, etc.
7. Rents of transmission and distribution facilities.
8. Tools.

555 Transportation expenses.

A. This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of general transportation equipment of the utility.

B. This account may be used as a clearing account in which event the charges hereto shall be cleared by apportionment to the appropriate operating expense, utility plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

1. Depreciation of transportation equipment.
2. Insurance on transportation equipment.
3. License fees for vehicles and drivers.
4. Rents for equipment and garages.
5. Repairs of transportation equipment.
6. Supplies, such as gas, oil, tires, tubes, grease, etc.

NOTE: Transportation expenses applicable to construction shall not be included in operating expenses.

3. GENERAL EXPENSES

580 Administrative and general salaries.

This account shall include the cost of supervision and labor incurred in administrative, customer accounts, and sales activities.

ITEMS

1. Accounting and clerical work on customers accounts and on general records.
2. Meter reading.
3. Solicitation of business.
4. Stenographic work.
5. Supervision and administration.

581 Office supplies and expenses.

This account shall include office supplies and expenses incurred in connection with customer accounts, sales and general administration of the utility's operations.

ITEMS

1. Address plates and supplies.
2. Automobile service, including charges through clearing account.
3. Bank messenger and service charges.
4. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
5. Building service expenses for customer accounts, sales, and administrative and general purposes.
6. Commissions or fees to others for collecting revenues.
7. Communication service expenses.
8. Cost of individual items of office equipment used by general departments which are of small value or short life.
9. Meals, traveling and incidental expenses.
10. Membership fees and dues in trade, technical, and professional associations paid

by utility for employees. (Company memberships are includible in account 589).

11. Meter books and binders.
12. Office supplies and expenses.
13. Payment of court costs, witness fees, and other expenses of legal department.
14. Postage, printing and stationery.
15. Rent of office equipment.
16. Repairs of office equipment.

582 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 operation 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 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.

584 Insurance expense.

A. This account shall include the cost of insurance or of reserve accruals (1) to protect the utility against losses and damages to owned or leased property used in its utility operations and (2) to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. 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.

586 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 payment 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.

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 non-utility 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.

588 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, and, also, including payments made to the United States for the administration of the Federal Power Act.

B. Amounts of regulatory commission expense which by approval or direction of the Commission are to be spread over future periods shall be charged to account 183, Other Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

589 Miscellaneous general expenses.

This account shall include the cost of expenses incurred in connection with the general management of the utility not provided for elsewhere.

ITEMS

1. Industry association dues for company memberships.

ITEMS—Continued

2. Contributions for conventions and meetings of the industry.
3. Experimental and general research work for the industry.
4. Communication service not chargeable to other accounts.
5. Trustee, registrar, and transfer agent fees and expenses.
6. Stockholders meeting expenses.
7. Dividend and other financial notices.
8. Printing and mailing dividend checks.
9. Directors' fees and expenses.
10. Publishing and distributing annual reports to stockholders.
11. Institutional or goodwill advertising.
12. 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.
13. Rents for property used in customer accounts, sales or administrative and general functions.

590 Uncollectible accounts.

This account shall be charged with losses from uncollectible accounts or with accruals to provide for anticipated losses from uncollectible utility revenues. Such accruals shall be credited to account 144, Accumulated Provision for Uncollectible Accounts—Cr. If the accrual method is used, losses from uncollectible accounts shall be charged to account 144.

592 Revenues from merchandising, jobbing, and contract work.

593 Costs and expenses of merchandising, jobbing, and contract work.

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.

NOTE A: The 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 the net income therefrom to be reported as an operating expense item; but the amounts shall be reported in accounts 415 and 416 if such regulatory body requires such income to be reported as non-operating 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: See accounts 415 and 416 for list of items includible herein.

[F.R. Doc. 60-7353; Filed, Aug. 9, 1960; 8:45 a.m.]