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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

AT&T OHIO,)
)
Complainant,)
)
v.)
)
THE DAYTON POWER & LIGHT)
COMPANY,)
)
Respondent.)

Case No. 06-1509-EL-CSS

DIRECT TESTIMONY

OF

TIMOTHY D. ZELDENRUST

On Behalf of

AT&T OHIO

AT&T Ex. _____

Dated: August 31, 2007

PUBLIC VERSION

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TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. PURPOSE OF TESTIMONY	2
III. USE OF THE FCC POLE COST FORMULA.....	2
IV. ADJUSTMENTS TO DP&L'S CALCULATION	5
A. ELIMINATION OF THE PASS-THROUGH TAXES RELATED TO A KWH EXCISE TAX FROM THE TAXES ELEMENT OF THE DP&L 2005 CALCULATION	6
B. ELIMINATION OF MAINTENANCE EXPENSES UNRELATED TO POLES FROM THE MAINTENANCE ELEMENT OF THE DP&L 2005 CALCULATION	8
C. ADJUSTMENT TO PROPERLY REFLECT THE REGULATORY LIABILITY RELATED TO COST OF REMOVAL OF THE DP&L 2005 CALCULATION OF NET BOOK VALUE	14
D. REVISION OF THE POLES DEPRECIATION RATE TO REFLECT AN ACTUAL RATHER THAN AN ESTIMATED RATE	19
E. ADMINISTRATIVE ELEMENT OF THE DP&L 2005 CALCULATION.....	19
F. SPACE FACTOR	20
V. CONCLUSION.....	20

1 **I. INTRODUCTION**

2 **Q1. PLEASE STATE YOUR NAME, BY WHOM YOU ARE EMPLOYED, YOUR**
3 **TITLE, AND YOUR BUSINESS ADDRESS.**

4 A1. My name is Timothy D. Zeldenrust. I am employed by Huron Consulting Group as a
5 Director. My business address is 550 West Van Buren Street, Chicago, Illinois 60607.

6 **Q2. WHAT ARE YOUR JOB RESPONSIBILITIES?**

7 A2. I am a Director at Huron Consulting Group in the Legal and Financial Consulting group.
8 Within this group, I perform accounting, litigation and regulatory consulting services,
9 specializing in utility, cable television and telecommunications industries.

10 **Q3. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

11 A3. I attended Carthage College in Kenosha, Wisconsin. I obtained a Bachelor of Arts degree
12 and majored in Accounting and Business Administration. I am also a Certified Public
13 Accountant.

14 **Q4. PLEASE OUTLINE YOUR WORK EXPERIENCE.**

15 A4. From 1985 to 1993 I worked at Arthur Andersen LLP within the Utilities and
16 Telecommunications Division and served as an auditor to clients focused mainly in the
17 utility, telecommunication and cable television industries. From 1993 to 1994 I worked
18 as a financial analyst for Journal Communications, Inc., a Milwaukee-based
19 communications company. I worked directly for the Vice President and Controller and
20 performed various financial tasks including SEC financial reporting, income tax
21 preparation, due diligence, and internal audits. I returned to Arthur Andersen LLP in
22 1994 as a manager and joined the Financial and Economic Consulting Division and
23 continued to work there through 2002. I was extensively involved in financial, regulatory
24 and cost accounting matters in the telecommunications, utility and cable television

1 industries. I joined Huron Consulting Group in 2002. At Huron I have worked on
2 accounting, litigation and regulatory matters across various industries.

3 **II. PURPOSE OF TESTIMONY**

4 **Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A5. The purpose of my testimony is to analyze the 2005 Pole Attachment Calculation
6 prepared by the Dayton Power and Light Company ("DP&L") and identify revisions to
7 the calculation that are necessary to more accurately compute DP&L's pole-related costs.

8 **Q6. CAN YOU PLEASE EXPLAIN THE STARTING POINT OF YOUR ANALYSIS?**

9 A6. Yes. The starting point of my analysis was DP&L's 2005 Pole Attachment Calculation
10 of ***** per pole per year. This document is identified as DPL-04193.

11 **III. USE OF THE FCC POLE COST FORMULA**

12 **Q7. WHAT COST MODEL DID DP&L USE TO CALCULATE THE 2005 POLE**
13 **ATTACHMENT RATE?**

14 A7. Based on my review of its calculation, DP&L used what is identified as the "Cable
15 Formula" in FCC 01-170, *Consolidated Partial Order on Reconsideration*, In the Matter
16 of Amendment of Commission's Rules and Policies Governing Pole Attachments, In the
17 Matter of Implementation of Section 703(e) of the Telecommunications Act of 1996, CS
18 Docket Nos. 97-98, 97-151, FCC 01-170 (rel. May 25, 2001) ("Order on
19 Reconsideration"). Appendix D-2 of the Order on Reconsideration shows the electric
20 utility computation of the Cable Formula. This formula is based on fully allocated
21 historical costs and application of the Cable Formula results in the *maximum* rate that can
22 be charged by a pole owner. As paragraph 8 of the Order on Reconsideration notes,
23 "Section 224(d)(1) of the Pole Attachment Act defines a just and reasonable rate as
24 ranging from the statutory minimum based on the additional costs of providing pole

1 attachments, to the statutory maximum based on fully allocated costs. The additional or
2 incremental costs are the costs that would not be incurred by the utility but for the pole
3 attachments. The maximum rate, identified as a percentage of fully allocated costs, refers
4 to the portion of operating expenses and capital costs that a utility incurs in owning and
5 maintaining pole attachment infrastructure that is equal to the portion of space on a pole,
6 or capacity of a duct, conduit, or right of way, that is occupied by an attacher. The
7 Commission adopted a methodology to determine the maximum allowable pole
8 attachment rate under Section 224(d)(1) of the Pole Attachment Act which is referred to
9 as the Cable Formula.”

10 **Q8. IS USE OF THE CABLE FORMULA AS DEFINED BY THE FCC IN THE**
11 **ORDER ON RECONSIDERATION MANDATORY TO ESTABLISH POLE**
12 **ATTACHMENT RATES?**

13 A8. No. The Cable Formula defines the *maximum* rate to be charged in those states where the
14 FCC has jurisdiction over pole rates.

15 **Q9. DOES THE FCC HAVE JURISDICTION OVER POLE RATES IN THIS**
16 **PROCEEDING?**

17 A9. No. Ohio is one of the states that is certified to regulate poles and has elected to exercise
18 jurisdiction over pole rates.

19 **Q10. HOW DOES THE JOINT POLE LINE AGREEMENT POLE RENTAL**
20 **CONTRACT (“JOINT POLE AGREEMENT”) DEFINE HOW THE POLE**
21 **RENTAL RATE SHOULD BE SET?**

22 A10. Article XIII, Periodic Readjustment of Rentals, of the Joint Pole Agreement sets forth
23 how a new rate is to be established for the joint poles of DP&L and AT&T. It states “At
24 the expiration of five (5) years from the date of this agreement, and at the end of every
25 five (5) year period thereafter, the rental per pole per annum thereafter payable hereunder
26 shall be subject to readjustment at the request of either party made in writing to the other

1 not later than sixty (60) days before the end of any such five (5) year period. If within
2 sixty (60) days after the receipt of such a request by either party from the other, the
3 parties hereto shall fail to agree upon a readjustment of such rental, then the rental per
4 pole per annum so to be paid shall be an amount equal to one-half of the then average
5 total annual cost per pole of providing and maintaining the standard joint poles covered
6 by this agreement.”

7 **Q11. HOW DOES THIS DEFINITION OF THE RATE DIFFER FROM THE CABLE**
8 **FORMULA?**

9 A11. First, the Cable Formula is based on fully allocated costs. The Joint Pole Agreement
10 does not make clear whether the rates are to be calculated on a fully allocated basis,
11 incremental basis or some other basis. Second, it is my understanding that the Joint Pole
12 Agreement specifies that 50% of the total costs of the joint use poles be used to determine
13 the rate, whereas the Cable Formula determines the rate by multiplying the pole costs by
14 a ratio of the space used on the pole over the total usable space on the pole.

15 **Q12. IF THE COMMISSION WERE TO LOOK TO THE FCC CABLE FORMULA TO**
16 **DETERMINE THE RENTAL RATE BETWEEN DP&L AND AT&T IN THIS**
17 **PROCEEDING, IS DP&L'S CALCULATION APPROPRIATE?**

18 A12. No. I believe that several modifications to the DP&L's Cable Formula are necessary
19 based on an analysis of pole-related costs. As noted above, the Cable Formula was
20 generally intended by the FCC to be a simple calculation to arrive at a maximum rate that
21 can be charged. It is totally appropriate and reasonable to make refinements to the Cable
22 Formula, especially when application of the Cable Formula results in the inappropriate
23 allocation of costs to poles.

1 **IV. ADJUSTMENTS TO DP&L'S CALCULATION**

2 **Q13. WHAT TYPES OF ADJUSTMENTS ARE YOU PROPOSING TO DP&L'S**
3 **CALCULATION?**

4 A13. I identified several types of adjustments to DP&L's calculation. The first item represents
5 revised inputs for accumulated depreciation related to poles. This was necessary due to
6 the accounting treatment of cost of removal amounts. I am proposing an adjustment to
7 remove certain expenses which are unrelated to poles. Last, I am proposing a revised
8 depreciation rate. Each of the adjustments is described below.

9 **Q14. CAN YOU SUMMARIZE THE RESULTS OF YOUR CALCULATION?**

10 A14. Yes, my results are summarized in Exhibits TZ-1, TZ-2, and TZ-3. Exhibit TZ-1 is a
11 revised pole cost calculation and includes the adjustments I describe below. The
12 resulting Annual Rate for the year ending December 31, 2005, assuming a 50% space
13 factor, is *****, compared to the ***** calculated by DP&L. Exhibit TZ-2 is a
14 schedule of 2005 calendar year expenses used in the DP&L 2005 Calculation. The first
15 column of the Exhibit shows the amounts used by DP&L in its calculation and an
16 "Adjustment" column and an "As Adjusted" column portray the adjustments that I
17 describe below. Exhibit TZ-3 is a schedule of the various net book value calculations for
18 Poles, Distribution Plant Related to Account 593, Distribution Plant and Electric Plant in
19 Service. The first column of the Exhibit shows the amounts used by DP&L in its
20 calculation and an "Adjustment" column and an "As Adjusted" column portray the
21 adjustments to net book value that I describe below.

22 **Q15. WHAT SPECIFIC ADJUSTMENTS DID YOU MAKE TO THE DP&L**
23 **CALCULATION ("DP&L 2005 CALCULATION")?**

24 A15. I made the following adjustments to the DP&L 2005 calculation:

- 1 • Elimination of the pass-through taxes related to a Kwh excise tax from the Taxes
- 2 Element of the DP&L 2005 Calculation
- 3 • Elimination of maintenance expenses unrelated to poles from the Maintenance
- 4 Element of the DP&L 2005 Calculation
- 5 • Adjustment to properly reflect the regulatory liability related to pole cost of
- 6 removal in the DP&L 2005 Calculation of Net Book Value
- 7 • Revision of the pole depreciation rate to reflect an actual rather than an estimated
- 8 rate

9 A. **ELIMINATION OF THE PASS-THROUGH TAXES RELATED TO A**

10 **KWH EXCISE TAX FROM THE TAXES ELEMENT OF THE DP&L 2005**

11 **CALCULATION**

12 **Q16. CAN YOU PLEASE EXPLAIN BRIEFLY THE TAXES ELEMENT OF THE**

13 **DP&L 2005 CALCULATION?**

14 A16. Yes. The DP&L 2005 Calculation includes a taxes element, as contemplated by the

15 Cable Formula. The taxes element for the DP&L 2005 Calculation includes taxes of

16 \$225,740,659 (DPL-04193, row 46). The items which comprise the \$225,740,659 are

17 reflected on Exhibit TZ-2 under the caption "Taxes". The main items are Federal, state

18 and local income taxes, property taxes, franchise taxes and the Kwh excise tax.

19 **Q17. WHAT IS THE KWH EXCISE TAX?**

20 A17. In response to request number 10 of AT&T Ohio's Fourth Set of Data Requests, DP&L

21 stated that it recovers the Kwh excise taxes directly from its electric customers through a

22 rate rider. DP&L records these amounts as operating revenues. As such, the Kwh excise

23 tax is a pass-through tax for which DP&L has a net cost of zero.

24 **Q18. DO YOU BELIEVE THAT THE KWH EXCISE TAX IS APPROPRIATE TO**

25 **INCLUDE IN THE TAXES ELEMENT OF THE DP&L 2005 CALCULATION?**

26 A18. No.

1 **Q19. WHY NOT?**

2 A19. There are several reasons. The first reason is that this tax is totally unrelated to poles.
3 The driver of the tax is sales of kilowatt hours of electricity to customers. Second, as
4 DP&L concedes, it recovers the Kwh excise taxes directly from customers through a rate
5 rider. DP&L is essentially acting as an agent for collection of the Kwh excise tax and
6 remittance of the proceeds to the government. DP&L has reflected the revenues from the
7 rate rider in its financial statements which equate to the Kwh excise tax expense.
8 DP&L's net expense related to the Kwh excise tax is zero. To allow recovery of this
9 amount in the taxes element of the DP&L 2005 Calculation would be double-recovering
10 by DP&L.

11 **Q20. DO YOU HAVE ANY OTHER INFORMATION WHICH SUPPORTS YOUR**
12 **ASSERTION THAT THE KWH TAX SHOULD BE ELIMINATED?**

13 A20. Yes, the fact that the net impact of pass-through taxes is zero is addressed in a recent
14 accounting pronouncement issued by the Emerging Issues Tax Force ("EITF"). EITF
15 Issue 06-3 is entitled "How Taxes Collected from Customers and Remitted to
16 Governmental Authorities Should be Presented in the Income Statement (That is, Gross
17 versus Net Presentation)." The EITF concluded that the presentation could either be on a
18 gross basis (included in revenues and costs) or a net basis (excluded from revenues). The
19 fact that one option is a net basis supports that there really is zero cost because DP&L is
20 made whole with respect to the Kwh tax by its electric customers.

21 **Q21. CAN YOU QUANTIFY THE ADJUSTMENT YOU PROPOSE RELATED TO**
22 **THE KWH EXCISE TAX?**

23 A21. Yes. The full amount of the Kwh excise tax of \$52,901,994 as shown on Exhibit TZ-2
24 should be removed from DP&L's calculations. I have adjusted the costs used in the Tax
25 Element calculation from \$225,740,659 to \$172,838,665.

1 **B. ELIMINATION OF MAINTENANCE EXPENSES UNRELATED TO**
2 **POLES FROM THE MAINTENANCE ELEMENT OF THE DP&L 2005**
3 **CALCULATION**

4 **Q22. CAN YOU PLEASE EXPLAIN THE MAINTENANCE ELEMENT OF THE**
5 **DP&L 2005 CALCULATION?**

6 A22. Yes. The DP&L 2005 Calculation includes a maintenance element as contemplated by
7 the Cable Formula. The maintenance element indicated in the FCC Order on
8 Reconsideration for electric utilities uses as a numerator the total maintenance expense
9 recorded in Federal Energy Regulatory Commission ("FERC") Account 593
10 "Maintenance of Overhead Lines". The denominator for the maintenance element is the
11 net book value of the sum of FERC fixed asset accounts 364 Poles, Towers and Fixtures,
12 365 Overhead Conductors and 369 Services.

13 **Q23. WHAT IS YOUR OPINION OF THE FCC'S METHOD OF DEVELOPING THE**
14 **MAINTENANCE FACTOR FOR THE POLE COST CALCULATION?**

15 A23. The problem the FCC was faced with related to determining true pole maintenance costs.
16 Any pole maintenance costs that an electric utility company incurs are commingled with
17 costs related to overhead lines in Account 593. The method reflected in the Order on
18 Reconsideration would only result in an accurate pole maintenance expense to the extent
19 the actual maintenance activities within account 593 were in direct proportion to the
20 related plant balances of Poles, Overhead Conductors and Services.

21 **Q24. WHAT TYPES OF MAINTENANCE ACTIVATES ARE ALLOWED TO BE**
22 **CHARGED TO ACCOUNT 593?**

23 A24. Please see the attached excerpt from the FERC chart of accounts, which I have identified
24 as Exhibit TZ-6. There are the following three major categories of costs included in
25 Account 593:

- 26 • Work of the following character on poles, towers and fixtures (13 items are listed)

- 1 • Work of the following character on overhead conductors and devices (12 items
2 are listed including: g.) standing by phones, going to calls, cutting faulty lines
3 clear, or similar activities at times of emergencies, and k.) trimming trees and
4 clearing brush)
- 5 • Work of the following character on overhead services (4 items are listed)

6 In my opinion, only the items in the first bullet above are arguably allowed under the
7 Joint Pole Agreement, as they are the only activities plausibly related to poles, as opposed
8 to other electric company infrastructure.

9 **Q25. WHAT DOES THE JOINT POLE AGREEMENT INDICATE REGARDING THE**
10 **TYPES OF ALLOWABLE MAINTENANCE EXPENSE?**

11 A25. As summarized above, the Joint Pole Agreement allows the rate to be set based on the
12 “average total annual cost per pole of providing and maintaining the standard joint poles
13 covered by this agreement.” In my opinion, this limits the maintenance expense in the
14 cost calculation to only pole maintenance expense.

15 **Q26. DOES THE JOINT POLE AGREEMENT REFERENCE TREE TRIMMING AT**
16 **ALL?**

17 A26. Yes. Article I indicates “Transferring and rearranging include any tree cutting or
18 trimming incidental thereto and the obtaining of all necessary rights or permits therefor.”
19 Transferring and rearranging are also defined in Article I. Transferring is movement of
20 attachments from one pole to another and rearranging is the movement of attachments on
21 a pole. Attachments are defined as “[a]ny material or apparatus now or hereafter used by
22 either party in the construction, operation or maintenance of its plant carried on poles.”
23 The association of initial tree trimming with attachments rather than poles is consistent

1 with my opinion that tree trimming is not related to poles. Accordingly, tree trimming
2 maintenance functions are also associated with attachments rather than poles.

3 **Q27. DOES THE POLE AGREEMENT SPECIFY HOW MAINTENANCE RELATED**
4 **TO ATTACHMENTS SHOULD BE HANDLED?**

5 A27. Yes. Article VII (b) indicates “each party shall, at its own expense, place, maintain,
6 rearrange, transfer and remove its own attachments and shall at all times perform such
7 work promptly and in such a manner as not to interfere with the service of the other
8 party.” This makes it clear that the costs of both tree trimming and routine maintenance
9 of DP&L’s overhead lines are DP&L’s responsibility and should not be part of the pole
10 cost calculation. DP&L has inappropriately included these amounts in its maintenance
11 element as I describe below.

12 **Q28. WHAT DO YOU BELIEVE IS THE APPROPRIATE METHOD OF**
13 **ATTRIBUTING MAINTENANCE ACTIVITIES CHARGED TO ACCOUNT 593?**

14 A28. The costs listed in the second and the third bullet points under Account 593 should be
15 excluded from the maintenance element in the DP&L 2005 Calculation. Clearly the
16 FERC Chart of Accounts is describing three distinct sets of activities applicable to the
17 three distinct asset accounts for which maintenance expense activities are recorded in
18 Account 593. This method is directly in line with arriving at the pure pole maintenance
19 amounts as required under the Joint Pole Agreement. With respect to the first bullet, I
20 would note that some of the costs are related to “fixtures,” not poles, such as item 1g -
21 “[r]elocating crossarms, racks, brackets and other fixtures on poles.” However, as
22 discussed below, it does not appear that DP&L has significant costs related to those
23 activities.

1 **Q29. CAN YOU EXPLAIN WHAT TYPES OF COSTS ARE IN DP&L'S ACCOUNT**
2 **593?**

3 A29. Yes, the main components of costs reflected in this account are in accounts *****
4 *****. These amounts can be seen on Exhibit TZ-2 under "Maintenance of Overhead
5 Lines" and represent approximately *** of the account balance in Account 593 for the
6 year ended December 31, 2005. Based on DP&L's responses to Request Nos. 5 and 6 of
7 AT&T Ohio's Fourth Set of Data Requests most of the costs in Account 5930000, which
8 total ***** for the year ended December 31, 2005, are related to "routine
9 maintenance of our distribution overhead lines and minimal costs for line clearance
10 necessary during storm restoration." Account 5930007, which totals ***** for the
11 year ended December 31, 2005, is nearly 100% tree trimming based upon DP&L's
12 responses to Request Nos. 5 and 6 of AT&T Ohio's Fourth Set of Data Requests.

13 **Q30. WHAT IS THE SIGNIFICANCE OF DP&L RESPONSES TO THESE TWO**
14 **DATA REQUESTS?**

15 A30. Its responses confirm that the amounts recorded in Account 593 for the year ended
16 December 31, 2005 are *****
17 *****
18 *****
19 ***** As
20 I explain above, only maintenance activities related to poles should be included in the
21 maintenance element. I have therefore eliminated **** of Account 593 from the
22 maintenance element of the DP&L 2005 Calculation and I have revised the denominator
23 of this calculation to reflect *****.

1 **Q31. HOW DOES DP&L VIEW TREE TRIMMING?**

2 A31. Based on the deposition transcript of Mr. John Kenton at pages 84-86, DP&L views tree

3 trimming as *****. See Exhibit TZ-

4 7.

5 **Q32. HAVE YOU REVIEWED DP&L'S ENGINEERING STANDARDS RELATED TO**

6 **TREE TRIMMING?**

7 A32. Yes, they are identified as Electric Engineering Standards Section 51. These are attached

8 as Exhibit TZ-8. These standards *****

9 *****

10 *****.

11 **Q33. DOES DP&L PERFORM TREE TRIMMING ONLY ON TREES ADJACENT TO**

12 **ITS OWN POLES?**

13 A33. *** Mr. Kenton, at pages 105-106 of his deposition, indicates that tree trimming *****

14 *****

15 *****

16 *****

17 ***** See

18 Exhibit TZ-7.

19 **Q34. WHAT IS THE SIGNIFICANCE OF THE FACT THAT *******

20 *****

21 *****?

22 A34. *****

23 *****

24 *****

1 **Q35. DID THE FCC COMMENT ON WHETHER TREE TRIMMING COSTS**
2 **SHOULD BE INCLUDED IN THE POLE COSTS IN THE ORDER ON**
3 **RECONSIDERATION?**

4 A35. Yes, in Paragraph 122 of the Order on Reconsideration, the FCC states that "the accounts
5 suggested by petitioners include capital expenditures which support the utility's core
6 business function and are not related to pole costs. For instance, petitioners would like to
7 include tree trimming from Account 365 (overhead conductors and devices) in the pole
8 investment calculation. However, tree trimming in that account is related to the overhead
9 conductors which relate to the core business function of the utility. Any excavation
10 relating to installation of the pole itself, including disposal of excess material, is already
11 included in Account 364. If tree trimming is required as part of make-ready activity to
12 provide for installation of an attaching entity's pole attachment, the attacher reimburses
13 that amount as part of make-ready charges." This statement confirms my assertion that
14 tree trimming, whether in capital or expense accounts, directly relates to Account 365
15 Overhead Conductors and does not relate to poles or pole maintenance.

16 **Q36. DO YOU HAVE ANY OTHER INFORMATION WITH RESPECT TO TREE**
17 **TRIMMING THAT SUPPORTS YOUR POSITION THAT IT DOES NOT**
18 **RELATE TO POLE MAINTENANCE?**

19 A36. Yes. *****
20 *****
21 *****
22 *****
23 *****
24 *****
25 *****
26 *****

***** DP&L is performing tree trimming solely for its own behalf, so it makes no sense to include these amounts in the pole cost calculation. Any mutually beneficial tree trimming should be negotiated between the parties by separate arrangement.

C. ADJUSTMENT TO PROPERLY REFLECT THE REGULATORY LIABILITY RELATED TO COST OF REMOVAL OF THE DP&L 2005 CALCULATION OF NET BOOK VALUE

Q37. CAN YOU BRIEFLY DESCRIBE THE REGULATORY LIABILITY DP&L HAS ON ITS BOOKS RELATED TO COST OF REMOVAL?

A37. Yes, based on my review of DP&L's 2003 10-K, DP&L was required under Statement of Financial Accounting Standard No. 143, Accounting for Asset Retirement Obligations ("SFAS No. 143") to reclassify from accumulated depreciation to a regulatory liability the transmission and distribution cost of removal amount collected from customer in rates. DP&L's depreciation rates for transmission and distribution continue to recover cost of removal and additional amounts have been recorded in the regulatory liability account each year subsequent to 2003.

Q38. HOW MUCH IS THIS REGULATORY LIABILITY AS OF DECEMBER 31, 2005?

A38. The amount is *****.

Q39. HOW DID DP&L HANDLE THIS AMOUNT IN THE DP&L 2005 CALCULATION?

A39. It appears that DP&L did not address this item.

1 **Q40. WAS IT APPROPRIATE FOR DP&L TO IGNORE THE REGULATORY**
2 **LIABILITY RELATED TO COST OF REMOVAL?**

3 A40. No. These amounts should be considered just like accumulated depreciation for purposes
4 of determining net book value. The cost of removal amounts are reflected in depreciation
5 expense and were moved to a regulatory liability as a result of an accounting
6 pronouncement.

7 **Q41. IS THE TREATMENT OF COST OF REMOVAL AMOUNTS COLLECTED IN**
8 **ADVANCE MENTIONED IN THE FCC ORDER ON RECONSIDERATION?**

9 A41. Yes. In the Order on Reconsolidation, the FCC indicates in paragraph 39: "On
10 reconsideration, we find that our approach in the Fee Order failed to acknowledge that
11 the utilities' recovery through depreciation of future costs of removing poles should be
12 reflected in the rate." The main context of this discussion centered around the possibility
13 of a negative net book value because of accumulated depreciation in excess of gross
14 plant. Later in paragraph 41, the FCC expands on this by stating "[t]he rate of return
15 element will be negative and is subtracted from the positive elements of the carrying
16 charge. We believe this result is reasonable because the utility has, in effect, already
17 recovered more than the original cost of its pole plant through depreciation charges.
18 While this 'over-recovery' is necessary to defray the costs of disposing of the poles when
19 they are retired from service, the utility has the use of the 'over-recovered' amounts
20 throughout the poles' useful lives. Our conclusion is that the utility's pole attachment
21 rates should reflect the over-recovery in the form of a negative rate of return carrying
22 charge properly recognizes this fact." This makes it clear that to ignore the cost of
23 removal amounts collected in advance in the DP&L 2005 calculations is improper.

1 **Q42. DOES THE AT&T OHIO POLE COST CALCULATION CONSIDER THE COST**
2 **OF REMOVAL IN ITS CALCULATION?**

3 A42. Yes. It is my understanding that the net book value of AT&T Ohio poles is negative as a
4 result of the cost of removal component of accumulated depreciation. To include the
5 impacts of cost of removal for telephone companies and to exclude it for electric utilities
6 is inconsistent with logic and sound ratemaking. These amounts were collected in rates
7 and essentially are to be held until actual cost of removal takes place in the future.

8 **Q43. DID THE FERC RULE ON THE REGULATORY ACCOUNTING TREATMENT**
9 **OF COST OF REMOVAL AMOUNTS COLLECTED IN ADVANCE WHICH**
10 **ARE NOT LEGAL OBLIGATIONS?**

11 A43. Yes. On April 9, 2003, the FERC issued Order 631 in Docket No. RM02-7-000,
12 Accounting, Financial Reporting and Rate Filing Requirements for Asset Retirement
13 Obligations. This order distinguishes between legal retirement obligations which are
14 required by law and obligations that are not required by law. The cost of removal
15 amounts collected in advance by DP&L do not constitute legal obligations. The Order
16 states in Paragraph 36, "As proposed in the NOPR, the rule applies to legal obligations
17 associated with the retirement of tangible long-lived assets. Under the existing
18 requirements of the Uniform System of Accounts removal costs that are not asset
19 retirement obligations are included as a component of the depreciation expense and
20 recorded in accumulated depreciation." The FERC later states in the same paragraph that
21 "[t]he Commission did not propose any changes to its existing accounting requirements
22 for cost of removal for non-legal retirement obligations."

23 **Q44. CAN YOU SUMMARIZE WHAT THIS MEANS?**

24 A44. Yes. This means that the FERC still considers the cost of removal amounts collected in
25 advance as a component of accumulated depreciation for regulatory accounting purposes,

1 regardless of the fact that DP&L has recorded this amount as a regulatory liability rather
2 than in accumulated depreciation for GAAP purposes.

3 **Q45. HOW DID YOU QUANTIFY THE POLES-RELATED COST OF REMOVAL**
4 **AMOUNTS RECORDED IN REGULATORY LIABILITIES?**

5 A45. I obtained information from the PUCO website filed by DP&L on March 31, 2005 under
6 Docket No. 05-1000-EL-UNC, and identified as the "Annual Report of the Dayton Power
7 and Light Company." This information included accumulated depreciation amounts from
8 the most recent depreciation study (in 1989) which showed the theoretical reserve with
9 net salvage and theoretical reserve without net salvage. The difference between these
10 two columns represents the net cost of removal as of December 31, 1989. I developed a
11 percentage relationship of these items, as shown on Exhibit TZ-5, which shows that the
12 pole-related cost of removal reserve as of this date was 31.7849% of total transmission
13 and distribution assets.

14 **Q46. DOES THE FACT THAT THIS INFORMATION WAS FROM A**
15 **DEPRECIATION STUDY PERFORMED IN THE YEAR 1989 MEAN THAT IT**
16 **IS OUTDATED?**

17 A46. No. First of all, the fact that DP&L is still using the information in 2005 suggests it is
18 still relevant and applicable. Second, I am not aware of any significant technological
19 advances in poles that would indicate any significant changes to this data. Last, DP&L
20 makes the following statement on page 6 of this annual report: "For transmission and
21 distribution property, DP&L and MRI have evaluated the impact over time of the
22 likelihood of any significant change in the estimated remaining lives of this property. In
23 summary, the expected life essentially remains the same since there are many additions
24 and interim retirements which equalize the average life of the property." I interpret this

1 to mean that both additions and retirements are taking place on a pro rata basis and this
2 statement gives me assurance that the data used for 1989 is reliable.

3 **Q47. DO YOU HAVE ANY OTHER DATA WHICH CORROBORATES THE**
4 **PERCENTAGE OF THE POLE-RELATED COST OF REMOVAL?**

5 A47. Yes. I obtained DP&L's depreciation rates broken down between life and cost of
6 removal. The pole depreciation rate related to cost of removal represents approximately
7 one-third of the 4.02% rate, or 1.29%. The only other asset category with a cost of
8 removal rate greater than the poles rate is Account 369 Services with a rate of 1.64%. I
9 multiplied the December 31, 2005 transmission and distribution gross plant balances by
10 the cost of removal component of the depreciation rate to estimate what percentage of the
11 cost of removal annual accrual is pole-related. This calculation, shown on Exhibit TZ-4,
12 shows that 30.42% of the annual depreciation accrual related to cost of removal is related
13 to poles.

14 **Q48. WHAT ADJUSTMENT DID YOU DEVELOP TO DP&L'S ACCUMULATED**
15 **DEPRECIATION BASED ON THESE ESTIMATES?**

16 A48. Based on these estimates, I multiplied the ***** cost of removal regulatory
17 liability as of December 31, 2005 by 31.7849%, to arrive at an adjustment of
18 ***** . I used this amount to adjust the pole-related net book value on Exhibit TZ-
19 3. This adjustment is necessary to properly reflect the cost of removal as a component of
20 accumulated depreciation for ratemaking purposes.

1 **D. REVISION OF THE POLES DEPRECIATION RATE TO REFLECT AN**
2 **ACTUAL RATHER THAN AN ESTIMATED RATE**

3 **Q49. WHAT DEPRECIATION RATE DID DP&L USE IN THE DP&L 2005**
4 **CALCULATION?**

5 A49. DP&L used a 3.31% depreciation rate. Based on its response to a data request this rate
6 was developed by “dividing distribution depreciation expense by gross distribution
7 plant.”

8 **Q50. DO YOU THINK THIS IS THE APPROPRIATE RATE TO USE?**

9 A50. No. Consistent with my overall methodology in all of my revisions to the pole
10 calculations, specific identification and actual pole-related amounts should be used when
11 available. Based on another data request, which is also shown on Exhibit TZ-4, I
12 determined that the actual depreciation rate is 4.02% for poles Account 364. This rate
13 has been reflected in Exhibit TZ-1.

14 **Q51. DOES THE 4.02% INCLUDE A COST OF REMOVAL COMPONENT?**

15 A51. Yes. As is shown on Exhibit TZ-4, 1.29%, or nearly one-third of the book depreciation
16 rate is related to cost of removal. Accordingly, this adjustment goes hand in hand with
17 my adjustment to net book value to increase accumulated depreciation related to
18 regulatory liability for cost of removal. It would be inappropriate to allow the
19 depreciation rate increase adjustment without making the interrelated accumulated
20 depreciation adjustment related to cost of removal.

21 **E. ADMINISTRATIVE ELEMENT OF THE DP&L 2005 CALCULATION**

22 **Q52. DID YOU ADJUST THE ADMINISTRATIVE ELEMENT OF THE DP&L 2005**
23 **CALCULATION?**

24 A52. No, while I made inquiries about variances in the administrative costs reflected in
25 DP&L's 2005 calculation, I did not adjust the administrative element of the calculation. I

1 focused on the most significant deficiencies in DP&L's calculation rather than develop
2 arguments about whether DP&L has improperly included general and administrative
3 costs in its calculation.

4 **F. SPACE FACTOR**

5 **Q53. WHAT SPACE FACTOR WAS USED IN THE DP&L 2005 CALCULATION?**

6 A53. Yes. The DP&L 2005 Calculation used a 50% space factor. I used this factor because
7 counsel requested that I assume this factor in my calculations. I am not expressing an
8 opinion as to whether this factor is appropriate.

9 **V. CONCLUSION**

10 **Q54. UPON WHAT DOCUMENTS DID YOU RELY IN FORMING YOUR**
11 **OPINIONS?**

12 A54. In addition to the documents referenced herein, I relied on the documents listed in Exhibit
13 TZ-10.

14 **Q55. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

15 A55. Yes.

Ohio

$$\text{Bare Pole Investment} = \text{Bare Pole Factor (85\%)} \times \text{Net Plant (Poles)} / \text{quantity of poles}$$
$$\text{Annual pole cost} = \frac{\text{Bare Pole Investment}}{\text{Annual Carrying Charge Rate}}$$

Annual Rate (Annual Pole Cost x Assumed Space Factor

Administrative	=	Total General & Administrative Expenses (FERC)
Element		Net Plant Investment (Electric)

$$\text{Depreciation Element} = \frac{\text{Depreciation Rate (Poles)} \times \text{Gross Plant Investment (Poles)}}{\text{Net Plant Investment (Poles)}}$$

Return	Rate of Return (8.77%)
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
10	1
11	1
12	1
13	1
14	1
15	1
16	1
17	1
18	1
19	1
20	1
21	1
22	1
23	1
24	1
25	1
26	1
27	1
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34	1
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37	1
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82	1
83	1
84	1
85	1
86	1
87	1
88	1
89	1
90	1
91	1
92	1
93	1
94	1
95	1
96	1
97	1
98	1
99	1
100	1

Net Pole Investment = Gross Pole Investment - Accumulated Depreciation - Accumulated Deferred Income Taxes (Account 364) - (Account 108 Poles) - Account 190, 281-283 Poles

	=	<u>54,092,307</u>	Schedule T2-2 Schedule T2-3
	=	<u> </u>	Schedule T2-2 Schedule T2-3
	x	<u>4.02%</u> Schedule T2-4	Schedule T2-3 Schedule T2-3
	=	<u>172,838,665</u>	Schedule T2-2 Schedule T2-3
DPL-04:193			

The Dayton Power and Light Company
Expenses for the Year Ended December 31, 2005
Expense Adjustments

Acct No.	Account Description	Per Dayton Power and Light Company	Adjustments	As Adjusted
General and Administrative Expenses (Source: 2005 FERC Form 1)				
920	Administrative and General Salaries	\$14,782,224		\$14,782,224
921	Office Supplies and Expenses	11,821,724		11,821,724
922	Less: Administrative Expenses Transferred-Cr.	(1,819,302)		(1,819,302)
923	Outside Services Employed	11,294,564		11,294,564
924	Property Insurance	2,927,195		2,927,195
925	Injuries and Damages	7,589,604		7,589,604
926	Employee Pensions and Benefits	15,099,058		15,099,058
927	Franchise Requirements	0		0
928	Regulatory Commission Expenses	311,909		311,909
929	Less: Duplicate Charges-Cr.	(1,079,836)		(1,079,836)
930.1	General Advertising Expenses	215,930		215,930
930.2	Miscellaneous General Expenses	1,592,383		1,592,383
931	Rents	243,831		243,831
	Total General and Administrative	\$62,979,284		\$62,979,284
Maintenance				
935	Maintenance of General Plant	\$1,113,023		1,113,023
	Total General and Administrative and General Plant Maintenance	\$64,092,307	\$0	\$64,092,307
Maintenance of Overhead Lines (Source: DP&L 2005 Trial Balance)				
Details Acct. 593: Maintenance of Overhead Lines				
5930000:	Mtce OVHD Lines			
5930007:	Dist. Line Clearance			
5930010:	Customer Contact Trees			
5930018:	OVHD Circuit Inspe & Mtce			
5930029:	Distribution Design			
5930097:	OVHD Line Training			
5930100:	Map Verification			
	Total Maintenance of Overhead Lines			

The Dayton Power and Light Company
Expenses for the Year Ended December 31, 2005
Expense Adjustments

Acct No.	Account Description	Per Dayton Power and Light Company	Adjustments	As Adjusted
Taxes (Source: 2005 FERC Form 1)				
Accts 408 and 409				
	Local- Ohio Property			
	Year 2003	(\$2,298,816)		(\$2,298,816)
	Year 2004	45,635,285		45,635,285
	Local- Ohio City Income	0		0
	Year 2004	554,624		554,624
	Year 2005	2,584,681		2,584,681
	Local- Kentucky Property- Year 2004	186,647		186,647
	State- Ohio Franchise- Year 2005	11,874,203		11,874,203
	KWH Excise- Year 2005	52,901,994	(52,901,994)	0
	MTCE PUCO	1,374,612		1,374,612
	MTCE of OCC	326,537		326,537
	Fuel Use	1,876		1,876
	Unempl Insur	47,450		47,450
	CAT	360,000		360,000
	User Fees	8,500		8,500
	Misc. St.- Franchise	74,869		74,869
	State- Kentucky Property	0		0
	Year 2004	192,465		192,465
	Income	387,708		387,708
	Federal Unempl Insur	75,837		75,837
	Ins. Contrib.	6,117,194		6,117,194
	Heavy Vehicle Use	5,629		5,629
	Income	116,753,252		116,753,252
	Total Accts. 408 & 409	\$237,164,547	(\$52,901,994)	184,262,553
410.1	Provision for Deferred Income Taxes	(8,558,382)		(8,558,382)
411.1	(Less) Provision for Deferred Income Taxes - Cr.			
411.4	Investment Tax Credit Adj. - Net	(2,865,506)		(2,865,506)
	Total Taxes	\$225,740,659	(\$52,901,994)	\$172,838,665

The Dayton Power and Light Company
As of December 31, 2005
Investment Adjustments

	Per Dayton Power and Light Company	Adjustments	As Adjusted
Net Pole Investment			
Gross Pole Investment	\$161,912,478		
Accumulated Depreciation	(63,490,546)		
Accumulated Deferred Income Taxes	(13,933,291)		
Net Pole Investment	\$84,488,641		
Total Distribution Plant Related to Account 593			
Pole Investment (Accounts 364, 365 and 369)	\$386,541,336		
Depreciation (Accounts 364, 365 and 369)	(143,731,415)		
Acc. Deferred Income Taxes (Accounts 364, 365 and 369)	(31,542,516)		
Total Distribution Plant Related to Account 593	\$191,267,405		
Total Distribution Plant			
Gross Plant Investment	\$986,859,819		
Accumulated Depreciation	(386,976,159)		
Acc. Deferred Taxes	(84,923,687)		
Total Distribution Plant	\$514,959,973		
Total Electric Plant			
Gross Plant Investment	\$3,912,427,920		
Accumulated Depreciation	(1,947,814,248)		
Acc. Deferred Taxes	(335,681,864)		
Total Electric Plant	\$1,627,931,808		

Note 1) Detail of Total Electric Plant Cost of Removal Adjustment:

Transmission and Distribution Assets Regulatory Liability as of December 31, 2005
Generation Assets Cost of Removal Amount taken to Income in 2003
Total Cost of Removal Adjustment related to Electric Plant In Service as of December 31, 2005

Source	
DP&L 2005 Trial Balance	
DP&L 2003 Form 10-K	32,100,000

New Rates and cost of removal from the 1986 depreciation study

(TAKE EFFECT IN 1992)

DESCRIPTION	PLANT ACCOUNT	SITUS (IF APPLICABLE)	NEW BOOK DEPR RATE	DEPR RATE BASED ON LIFE ONLY	DEPR RATE BASED ON GROSS SALVAGE BUT EXCLUDING COST OF REMOVAL	SALVAGE COMPONENT ACCOUNT	PLANT ACCOUNT	DEPR RATE BASED ON COST OF REMOVAL	DP&L 12/31/2025 Plant Balance	Magnitude of Cost of Removal	Percentage of Total Cost of Removal	Allocation of Cost of Removal \$81,715,123		
II. ELECTRIC PLANT														
POST IS AFUDC (ADDED) Average Removal Rate	3-352-1	0000	2.34%	2.1273%	2.02%	-0.11%	3-352-1	0.32%						
	3-352-5	0200	2.00%	2.6800%	2.47%	-0.13%	3-352-5	0.13%						
	3-352-5	0300	2.02%	2.6200%	2.49%	-0.13%	3-352-5	0.13%						
	3-352-9	0000	2.45%	2.2275%	2.12%	-0.11%	3-352-9	0.23%	8,796,678	20,104	0.23%	238,850		
	3-353-1	0000	2.38%	2.2887%	2.15%	-0.11%	3-353-1	0.23%						
POST IS AFUDC (ADDED) Average Removal Rate	3-353-5	0200	2.00%	2.9800%	2.81%	-0.15%	3-353-5	0.15%						
	3-353-5	0300	3.10%	3.1000%	2.85%	-0.18%	3-353-5	0.15%						
	3-353-6	0000	8.93%	8.93%	8.93%		3-353-6	0.00%						
	3-353-9	0000	2.50%	2.3810%	2.26%	-0.12%	3-353-9	0.24%						
	3-354-1	0000	2.39%	2.0696%	1.86%	-0.21%	3-354-1	0.52%	165,672,479	251,081	3.65%	2,962,957		
POST IS AFUDC (ADDED) Average Removal Rate	3-354-5	0200	3.00%	2.5500%	2.17%	-0.36%	3-354-5	0.85%						
	3-354-5	0300	3.00%	2.5500%	2.17%	-0.36%	3-354-5	0.85%						
	3-354-9	0000	2.46%	2.1381%	1.93%	-0.21%	3-354-9	0.53%	28,803,657	204,304	2.87%	2,427,220		
	3-355-1	0000	2.77%	2.3083%	2.10%	-0.12%	3-355-1	0.58%						
	3-355-7	0200	3.06%	2.5806%	2.42%	-0.13%	3-355-7	0.64%						
POST IS AFUDC (ADDED) Average Removal Rate	3-355-9	0000	2.85%	3.0256%	2.67%	-0.15%	3-355-9	0.06%	69,731,364	299,897	4.36%	3,562,920		
	3-356-1	0000	2.26%	2.1942%	2.04%	-0.15%	3-356-1	0.22%						
	3-356-5	0200	2.55%	2.5500%	2.42%	-0.13%	3-356-5	0.13%						
	3-356-5	0300	2.55%	2.5500%	2.42%	-0.13%	3-356-5	0.13%						
	3-356-9	0000	2.46%	2.3883%	2.22%	-0.17%	3-356-9	0.16%	65,333,119	116,498	1.69%	1,394,046		
POST IS AFUDC (ADDED) Average Removal Rate	3-357-0	0000	1.73%				3-357-0	0.00%	1,463,537	0	0.00%	0		
	3-358-0	0000	2.03%	2.2556%	1.92%	-0.34%	3-358-0	0.11%	1,087,588	1,227	0.02%	14,572		
	3-359-0	0000	1.25%				3-359-0	0.00%	9,439	0	0.00%	0		
	Transmission Plant Subtotal										340,538,067	883,110	12.96%	10,610,576
	Average Removal Rate	3-361-0	0000	2.49%	2.2545%	2.14%	-0.11%	3-361-0	0.34%	31,492,188	113,265	1.65%	1,345,037	
3-362-0		0000	2.25%	2.1429%	2.14%	0.00%	3-362-0	0.11%						
3-362-8		0000	8.83%				3-362-8	0.00%						
3-364-0		0000	4.82%	2.8714%	2.75%	-0.14%	3-364-0	1.29%	180,851,353	98,885	1.41%	1,151,036		
3-365-0		0000	2.82%	2.5391%	2.41%	-0.13%	3-365-0	0.51%	161,912,478	2,082,141	30.42%	24,856,630		
Average Removal Rate	3-366-0	0000	1.95%	1.8571%	1.85%	0.00%	3-366-0	0.00%	86,346,281	453,724	0.60%	5,390,455		
	3-367-0	0000	3.55%	3.0670%	2.93%	-0.15%	3-367-0	0.62%	8,857,626	8,225	0.12%	97,716		
	3-368-0	0000	2.81%	2.8100%	2.13%	-0.38%	3-368-0	0.39%	137,884,442	851,287	12.38%	10,113,691		
	3-369-1	0000	4.47%	2.9600%	2.83%	-0.38%	3-369-1	1.64%	192,470,619	724,652	10.54%	8,609,211		
	3-369-2	0000	4.09%	3.2720%	3.11%	-0.15%	3-369-2	0.96%						
Average Removal Rate	3-370-0	0000	3.26%	3.2600%	3.10%	-0.16%	3-370-0	1.31%	115,262,577	1,510,548	21.96%	17,848,028		
	3-371-1	0000	5.77%	4.8033%	4.57%	-0.24%	3-371-1	1.20%	35,192,529	58,994	0.86%	700,075		
	3-371-2	0000	2.04%				3-371-2	0.00%						
	Average Removal Rate	3-372-0	0000	2.50%			0.00%	3-372-0	0.00%	63,596	75,272	1.08%	884,369	
		3-373-2	0000	0.00%			0.00%	3-373-2	0.00%		0	0.00%	0	
3-373-3		0000	0.00%			0.00%	3-373-3	0.00%						
Distribution Plant Subtotal										968,877,320	5,984,960	87.02%	71,104,547	
TOTAL TRANSMISSION AND DISTRIBUTION PLANT										1,309,425,387	6,878,101	100.00%	81,715,123	

Reconciliation of Transmission Plant
 Transmission Plant Subtotal \$340,388,067
 Add Acct 350 29,333,353
 TOTAL Per 2005 FERC Form 1 \$370,131,420

Reconciliation of Distribution Plant
 Distribution Plant Subtotal \$868,877,320
 Add Acct 360 17,962,469
 TOTAL Per 2005 FERC Form 1 \$886,839,789

The Dayton Power and Light Company
Schedule of Depreciation Accrual Rates at December 31, 1989
Source: 2004 Annual Report of The Dayton Power and Light Company filed on March 31, 2005 pursuant to Docket No. 05-1000-EL-UNC

Note 1

Account Number	Account Description	Theoretical Reserve Without Net Salvage	Theoretical Reserve With Net Salvage =	Cost of Removal	Percentage	Allocation of Cost of Removal
352.10	Structure and Improvements	\$1,304,224	\$1,434,646	(\$130,422)	0.61%	
362.90	Structures and Improv- AISAFD	8,857	9,787	(850)	0.00%	
353.10	Station Equipment- Normal	16,588,728	17,418,184	(829,436)	3.86%	
353.60	Station Equipment- EDS	4,036,218	4,036,218	0	0.00%	
353.90	Station Equipment- AISAFDC	74,302	78,017	(3,715)	0.02%	
354.10	Towers and Fixtures	4,335,781	4,986,148	(650,367)	3.03%	
354.90	Towers and Fixtures- AISAFDC	41,056	47,214	(6,158)	0.03%	
355.10	Poles & Fixtures	6,750,762	8,100,914	(1,350,152)	6.29%	
355.90	Poles & Fixtures- AISAFDC	13,482	16,178	(2,696)	0.01%	
356.10	OH Conductors and Devis	9,460,687	9,744,508	(283,821)	1.32%	
356.90	OH Conductors and Dev- AISAF	17,940	18,478	(538)	0.00%	
357.00	UG Conduit	154,299	154,299	0	0.00%	
358.00	UG Conductors & Devis	403,417	363,075	40,342	-0.19%	
359.00	Roads and Trails	3,085	3,085	0	0.00%	
TOTAL DEPREC TRANS PLANT		\$43,182,878	\$46,410,731	(\$3,217,853)		
361.00	Structures and Improvements	\$2,148,080	\$2,362,888	(\$214,808)	1.00%	
362.00	Station Equipment- Normal	19,715,181	20,700,940	(985,759)	4.59%	
362.60	Station Equipment- EDS	560,719	560,719	0	0.00%	
364.00	Poles, Towers, & Fixtures	17,057,104	23,878,946	(6,822,842)	31.7849%	Note 2
365.00	OH Conductor and Devices	15,006,924	17,257,963	(2,251,039)	10.49%	Note 2
366.00	UG Conduit	1,796,607	1,886,437	(89,830)	0.42%	
367.00	UG Conductors and Devices	11,459,503	13,178,428	(1,718,925)	8.01%	
368.00	Line Transformers	31,839,877	31,839,877	0	0.00%	
369.10	OH Services	8,410,775	12,616,163	(4,205,388)	19.59%	Note 2
369.20	UG Services	5,729,656	7,162,070	(1,432,414)	6.67%	
370.00	Meters	9,751,685	9,751,685	0	0.00%	
371.10	Inst. OH Cust Prem- PCL	2,634,080	3,160,872	(526,812)	2.45%	
371.20	Inst. OH Cust Prem- Other	151,730	151,730	0	0.00%	
372.00	Leased Prof On Cust Prem	20,208	20,208	0	0.00%	
TOTAL DEPREC DISTR PLANT		\$126,282,109	\$144,529,926	(\$18,247,817)		
TOTAL DEPREC TRANS & DISTR PLANTS		\$169,474,987	\$190,940,657	(\$21,465,670)	100.00%	

Notes:

1) Source: DP&L December 31, 2005 Trial Balance

2) Reconciliation to TZ-3

Cost of Removal Adjustment Related to Accounts 364, 365 and 369:

364.00	Poles, Towers, & Fixtures
365.00	OH Conductor and Devices
369.10	OH Services

Total Amount of Adjustment for Distribution Plant Related to Account 593

Federal Energy Regulatory Commission

Pt. 101

Maintenance

- 590 Maintenance supervision and engineering (Major only).
- 591 Maintenance of structures (Major only).
- 592 Maintenance of station equipment (Major only).
- 592.1 Maintenance of structures and equipment (Nonmajor only).
- 593 Maintenance of overhead lines (Major only).
- 594 Maintenance of underground lines (Major only).
- 594.1 Maintenance of lines (Nonmajor only).
- 595 Maintenance of line transformers.
- 596 Maintenance of street lighting and signal systems.
- 597 Maintenance of meters.
- 598 Maintenance of miscellaneous distribution plant.

4. CUSTOMER ACCOUNTS EXPENSES

Operation

- 901 Supervision (Major only).
- 902 Meter reading expenses.
- 903 Customer records and collection expenses.
- 904 Uncollectible accounts.
- 905 Miscellaneous customer accounts expenses (Major only).

5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES

Operation

- 906 Customer service and informational expenses (Nonmajor only).
- 907 Supervision (Major only).
- 908 Customer assistance expenses (Major only).
- 909 Informational and instructional advertising expenses (Major only).
- 910 Miscellaneous customer service and informational expenses (Major only).

6. SALES EXPENSES

Operation

- 911 Supervision (Major only).
- 912 Demonstrating and selling expenses (Major only).
- 913 Advertising expenses (Major only).
- 916 Miscellaneous sales expenses (Major only).
- 917 Sales expenses (Nonmajor only).

7. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

- 920 Administrative and general salaries.
- 921 Office supplies and expenses.
- 922 Administrative expenses transferred—Credit.
- 923 Outside services employed.
- 924 Property insurance.
- 925 Injuries and damages.

- 926 Employee pensions and benefits.
- 927 Franchise requirements.
- 928 Regulatory commission expenses.
- 929 Duplicate charges—Credit.
- 930.1 General advertising expenses.
- 930.2 Miscellaneous general expenses.
- 931 Rents.
- 933 Transportation expenses (Nonmajor only).

Maintenance

- 935 Maintenance of general plant.

Operation and Maintenance Expense Accounts**500 Operation supervision and engineering.**

A. For Major Utilities, this account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of steam power generating stations. Direct supervision of specific activities, such as fuel handling, boiler room operations, generator operations, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

B. For Nonmajor Utilities, this account shall include the cost of supervision and labor in the operation of steam power generating stations.

ITEMS (NONMAJOR ONLY)

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 collection 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 account 151, Fuel Stock (for Nonmajor utilities, appropriate fuel accounts carried under account 154, Plant Materials and Operating 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 account 152, Fuel Stock Expenses Undistributed (for Nonmajor utilities, an appropriate subaccount of account 154, Plant Materials and Operating 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. Operating, maintenance and depreciation expenses and ad valorem taxes on utility-owned transportation equipment used to transport fuel from the point of acquisition to the unloading point (Major only).
8. Lease or rental costs of transportation equipment used to transport fuel from the point of acquisition to the unloading point (Major only).
9. Cost of fuel including freight, switching, demurrage and other transportation charges.
10. Excise taxes, insurance, purchasing commissions and similar items.
11. Storage expenses to extent applicable to fuel.
12. Transportation and other expenses in moving fuel in storage.
13. Tools, lubricants and other supplies.
14. Operating supplies for mechanical equipment.
15. 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 Steam expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in production of steam for electric generation. This includes all expenses of handling and preparing fuel beginning at the point where the fuel enters the first boiler plant bunker, hopper, tank or holder of the boiler-house structure.

ITEMS**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 operation.

8. Testing boiler water.

9. Testing, checking, and adjusting meters, gauges, and other instruments and equipment 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.

Materials and Expenses:

12. Chemicals and boiler inspection fees.

13. Lubricants.

14. Boiler feed water purchased and pumping supplies.

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—Credit.

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 basis of determination 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 Electric expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in operating prime movers, generators, and their auxiliary apparatus, switch gear and other electric equipment to the points where electricity leaves for conversion for transmission or distribution.

ITEMS

Labor:

1. Supervising electric production.

2. Operating turbines, engines, generators and exciters.

3. Operating condensers, circulating water systems and other auxiliary apparatus.

4. Operating generator cooling system.

5. Operating lubrication and oil control system, including oil purification.

6. Operating switchboards, switch gear and electric control and protective equipment.

7. Keeping electric plant log and records and preparing reports on electric plant operations.

8. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls and other equipment in the electric plant.

9. Cleaning electric plant equipment when not incidental to maintenance work.

10. Repacking glands and replacing gauge glasses.

Materials and Expenses:

11. Lubricants and control system oils.

12. Generator cooling gases.

13. Circulating water purification supplies.

14. Cooling water purchased.

15. Motor and generator brushes.

506 Miscellaneous steam power expenses (Major only).

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

ITEMS

Labor:

1. General clerical and stenographic work.

2. Guarding and patrolling plant and yard.

3. Building service.

4. Care of grounds including snow removal, cutting grass, etc.

Pt. 101

18 CFR Ch. I (4-1-03 Edition)

5. Miscellaneous labor.

Materials and Expenses:

6. General operating supplies, such as tools, gaskets, packing waste, gauge glasses, hose, indicating lamps, record and report forms, etc.

7. First-aid supplies and safety equipment.

8. Employees' service facilities expenses.

9. Building service supplies.

10. Communication service.

11. Miscellaneous office supplies and expenses, printing and stationery.

12. Transportation expenses.

13. Meals, traveling and incidental expenses.

14. Research, development, and demonstration expenses.

507 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 3.)

508 Operation supplies and expenses (Nonmajor only).

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.

509 Allowances.

This account shall include the cost of allowances expensed concurrent with the monthly emission of sulfur dioxide. (See General Instruction No. 21.)

510 Maintenance supervision and engineering (Major only).

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of steam generation facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

511 Maintenance of structures (Major only).

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of steam structures, the book cost of which is includible in account 311, Structures and Improvements. (See operating expense instruction 2.)

512 Maintenance of boiler plant (Major only).

A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of steam plant, the book cost of which is includible in account 312, Boiler Plant Equipment. (See operating expense instruction 2.)

B. For the purpose of making charges hereto and to account 513, Maintenance of Electric Plant, the point at which steam plant is distinguished from electric plant is defined as follows:

1. Inlet flange of throttle valve on prime mover.

2. Flange of all steam extraction lines on prime mover.

3. Hotwell pump outlet on condensate lines.

4. Inlet flange of all turbine-room auxiliaries.

5. Connection to line side of motor starter for all boiler-plant equipment.

513 Maintenance of electric plant (Major only).

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of electric plant, the book cost of which is includible in account 313, Engines and Engine-Driven Generators, account 314, Turbogenerator Units, and account 315, Accessory Electric Equipment. (See operating expense instruction 2 and paragraph B of account 512.)

514 Maintenance of miscellaneous steam plant (Major only).

This account shall include the cost of labor, materials used and expenses incurred in maintenance of miscellaneous steam generation plant, the book cost of which is includible in account 316, Miscellaneous Power Plant Equipment. (See operating expense instruction 2.)

515 Maintenance of steam production plant (Nonmajor only).

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 2.)

517 Operation supervision and engineering (Major only).

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of nuclear power generating stations. Direct supervision of specific activities, such as fuel handling, reactor operations, generator operations, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

518 Nuclear fuel expense (Major only).

A. This account shall be debited and account 120.5, Accumulated Provision for Amortization of Nuclear Fuel Assemblies, credited for the amortization of the net cost of nuclear fuel assemblies used in the production of energy. The net cost of nuclear fuel assemblies subject to amortization shall be the cost of nuclear fuel assemblies plus or less the expected net salvage of uranium, plutonium, and other byproducts and unburned fuel. The utility shall adopt the necessary procedures to assure that charges to this account are distributed according to the thermal energy produced in such periods.

B. This account shall also include the costs involved when fuel is leased.

C. This account shall also include the cost of other fuels, used for ancillary steam facilities, including superheat.

D. This account shall be debited or credited as appropriate for significant changes in the amounts estimated as

the net salvage value of uranium, plutonium, and other byproducts contained in account 157, Nuclear Materials Held for Sale and the amount realized upon the final disposition of the materials. Significant declines in the estimated realizable value of items carried in account 157 may be recognized at the time of market price declines by charging this account and crediting account 157. When the declining change occurs while the fuel is recorded in account 120.3, Nuclear Fuel Assemblies in Reactor, the effect shall be amortized over the remaining life of the fuel.

519 Coolants and water (Major only).

This account shall include the cost of labor, materials used and expenses incurred for heat transfer materials and water used for steam and cooling purposes.

ITEMS**Labor:**

1. Operation of water supply facilities.
2. Handling of coolants and heat transfer materials.

Materials and Expenses:

3. Chemicals.
4. Additions to or refining of, fluids used in reactor systems.
5. Lubricants.
6. Pumping supplies and expenses.
7. Miscellaneous supplies and expenses.
8. Purchased water.

NOTE: Do not include in this account water for general station use or the initial charge for coolants, heat transfer or moderator fluids, chemicals or other supplies capitalized.

520 Steam expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in production of steam through nuclear processes, and similar expenses for operation of any auxiliary superheat facilities.

ITEMS**Labor:**

1. Supervising steam production.
2. Fuel handling including removal, insertion, disassembly and preparation for cooling operations and shipment.
3. Testing instruments and gauges.
4. Health, safety, monitoring and decontamination activities.
5. Waste disposal.
6. Operating steam boilers and auxiliary steam, superheat facilities.

Pt. 101

18 CFR Ch. I (4-1-03 Edition)

Materials and Expenses:

7. Chemical supplies.
8. Charts, logs, etc.
9. Health, safety, monitoring and decontamination supplies.
10. Boiler inspection fees.
11. Lubricants.

521 Steam from other sources (Major only).

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 operating department, the utility shall be prepared to show full details of the cost of producing such steam, the basis of the charges to electric generation, and the extent and manner of use by each department involved.

522 Steam transferred—Credit (Major only).

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 basis of determination 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.

523 Electric expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in operating turbogenerators, steam turbines and their auxiliary apparatus, switch gear and other electric equipment to the points where elec-

tricity leaves for conversion for transmission or distribution.

ITEMS

Labor:

1. Supervising electric production.
2. Operating turbines, engines, generators and exciters.
3. Operating condensers, circulating water systems and other auxiliary apparatus.
4. Operating generator cooling system.
5. Operating lubrication and oil control system, including oil purification.
6. Operating switchboards, switch gear and electric control and protective equipment.
7. Keeping plant log and records and preparing reports on electric plant operations.
8. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls and other equipment in the electric plant.
9. Cleaning electric plant equipment when not incidental to maintenance.
10. Repacking glands and replacing gauge glasses.

Materials and Expenses:

11. Lubricants and control system oils.
12. Generator cooling gases.
13. Log sheets and charts.
14. Motor and generator brushes.

524 Miscellaneous nuclear power expenses (Major only).

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

ITEMS

Labor:

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

Materials and Expenses:

6. General operating supplies, such as tools, gaskets, hose, indicating lamps, record and report forms, etc.
7. First-aid supplies and safety equipment.
8. Employees' service facilities expenses.
9. Building service supplies.
10. Communication service.
11. Miscellaneous office supplies and expenses, printing and stationery.
12. Transportation expenses.
13. Meals, traveling and incidental expenses.
14. Research, development, and demonstration expenses.

525 Rents (Major only).

This account shall include all rents of property of others used, occupied or operated in connection with nuclear generation. (See operating expense instruction 3.)

528 Maintenance supervision and engineering (Major only).

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of nuclear generation facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

529 Maintenance of structures (Major only).

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 321, Structures and Improvements. (See operating expense instruction 2.)

530 Maintenance of reactor plant equipment (Major only).

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of reactor plant, the book cost of which is includible in account 322, Reactor Plant Equipment. (See operating expense instruction 2.)

531 Maintenance of electric plant (Major only).

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of electric plant, the book cost of which is includible in account 323, Turbogenerator Units, and account 324, Accessory Electric Equipment. (See operating expense instruction 2.)

532 Maintenance of miscellaneous nuclear plant (Major only).

This account shall include the cost of labor, materials used and expenses incurred in maintenance of miscellaneous nuclear generating plant, the book cost of which is includible in account 325, Miscellaneous Power Plant

Equipment. (See operating expense instruction 2.)

535 Operation supervision and engineering.

A. For Major utilities, this account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of hydraulic power generating stations. Direct supervision of specific activities, such as hydraulic operation, generator operation, etc., shall be charged to the appropriate account (See operating expense instruction 1).

B. For Nonmajor utilities, this account shall include the cost of supervision and labor in the operation of hydraulic power generating stations.

ITEMS (NONMAJOR ONLY)**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 deicing 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.

536 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.

537 Hydraulic expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in operating hydraulic works including reservoirs, dams, and waterways, and in activities directly relating to the hydroelectric development outside the generating station. It shall also include the cost of labor, materials used and other expenses incurred in connection with the operation of (a) fish and wildlife, and (b) recreation facilities. Separate subaccounts shall be maintained for each of the above.

ITEMS

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 deicing 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.

Materials and Expenses:

10. Insect control materials.
11. Lubricants, packing, and other supplies used in operation of hydraulic equipment.
12. Transportation expense.

538 Electric expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in operating prime movers, generators, and their auxiliary apparatus, switchgear, and other electric equipment, to the point where electricity leaves for conversion for transmission or distribution.

ITEMS

Labor:

1. Supervising electric production.
2. Operating prime movers, generators and auxiliary equipment.
3. Operating generator cooling system.
4. Operating lubrication and oil control systems, including oil purification.
5. Operating switchboards, switchgear, and electric control and protection equipment.
6. Keeping plant log and records and preparing reports on plant operations.
7. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls, and other equipment in the plant.
8. Cleaning plant equipment when not incidental to maintenance work.
9. Repacking glands.

Materials and Expenses:

10. Lubricants and control system oils.
11. Motor and generator brushes.

539 Miscellaneous hydraulic power generation expenses (Major only).

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

ITEMS

Labor:

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

Materials and Expenses:

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.
16. Research, development, and demonstration expenses.

540 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 3.)

540.1 Operation supplies and expenses (Nonmajor only).

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.

541 Maintenance supervision and engineering (Major only).

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of hydraulic power generating stations. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

542 Maintenance of structures (Major only).

This account shall include the cost of labor, materials used, and expenses incurred in maintenance of hydraulic structures, the book cost of which is includible in Account 331, Structures and Improvements. (See operating expense instruction 2) However, the cost of labor, materials used and expenses incurred in the maintenance of fish and wildlife, and recreation facilities, the book cost of which is includible in Account 331, Structures and Improve-

ments, shall be charged to Account 545, Maintenance of Miscellaneous Hydraulic Plant.

543 Maintenance of reservoirs, dams, and waterways (Major only).

This account shall include the cost of labor, materials used, and expenses incurred in maintenance of plant includible in Account 332, Reservoirs, Dams, and Waterways. (See operating expense instruction 2) However, the cost of labor materials used and expenses incurred in the maintenance of fish and wildlife, and recreation facilities, the book cost of which is includible in Account 332, Reservoirs, Dams and Waterways, shall be charged to Account 545, Maintenance of Miscellaneous Hydraulic Plant.

544 Maintenance of electric plant (Major only).

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant includible in Account 333, Water Wheels, Turbines and Generators, and account 334, Accessory Electric Equipment. (See operating expense instruction 2.)

545 Maintenance of miscellaneous hydraulic plant (Major only).

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 335, Miscellaneous Power Plant Equipment, and Account 336, Roads, Railroads and Bridges. (See operating expense instruction 2.) It shall also include the cost of labor, materials used and other expenses incurred in the maintenance of (a) fish and wildlife, and (b) recreation facilities. Separate subaccounts shall be maintained for each of the above.

545.1 Maintenance of hydraulic production plant (Nonmajor only).

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 2.)

546 Operation supervision and engineering.

A. For Major utilities, this account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of other power generating stations. Direct supervision of specific activities, such as fuel handling, engine and generator operation, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

B. For Nonmajor utilities, this account shall include the cost of supervision and labor in the operation of other power generating stations.

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.

547 Fuel.

This account shall include the cost delivered at the station (see account 151, Fuel Stock, for Major utilities, and account 154, Plant Materials and Operating Supplies, for Nonmajor utilities) of all fuel, such as gas, oil, kerosene, and gasoline used in other power generation.

548 Generation expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in operating prime movers, generators and electric equipment in other power generating stations, to the point where electricity leaves for conversion for transmission or distribution.

ITEMS**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.

Materials and Expenses:

5. Dynamo, motor, and generator brushes.
6. Lubricants and control system oils.
7. Water for cooling engines and generators.

549 Miscellaneous other power generation expenses (Major only).

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

ITEMS**Labor:**

1. General clerical and stenographic work.
 2. Guarding and patrolling plant and yard.
 3. Building service.
 4. Care of grounds, including snow removal, cutting grass, etc.
 5. Miscellaneous labor.
- Materials and Expenses:**
6. Building service supplies.
 7. First-aid supplies and safety equipment.
 8. Communication service.
 9. Employees' service facilities expenses.
 10. Office supplies, printing and stationery.
 11. Transportation expense.
 12. Meals, traveling and incidental expenses.

13. Fuel for heating.
14. Water for fire protection or general use.
15. Miscellaneous supplies, such as hand tools, drills, saw blades, files, etc.
16. Research, development, and demonstration expenses.

550 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 3.)

550.1 Operation supplies and expenses (Nonmajor only).

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.

551 Maintenance supervision and engineering (Major only).

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of other power generating stations. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

552 Maintenance of structures (Major only).

This account shall include the cost of labor, materials used and expenses incurred in maintenance of facilities used in other power generation, the book cost of which is includible in account 341, Structures and Improvements, and account 342, Fuel Holders, Producers and Accessories. (See operating expense instruction 2.)

553 Maintenance of generating and electric equipment (Major only).

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 343, Prime Movers, account 344, Generators, and account 345, Accessory Electric Equipment. (See operating expense instruction 2.)

554 Maintenance of miscellaneous other power generation plant (Major only).

This account shall include the cost of labor, materials used and expenses incurred in maintenance of other power generation plant, the book cost of which is includible in account 346, Miscellaneous

Power Plant Equipment. (See operating expense instruction 2.)

554.1 Maintenance of other power production plant (Nonmajor only).

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 2.)

555 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 energy 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.

556 System control and load dispatching (Major only).

This account shall include the cost of labor and expenses incurred in load dispatching activities for system control Utilities having an interconnected electric system or operating under a central authority which controls the production and dispatching of electricity may apportion these costs to this account and accounts 561, Load Dispatching—Transmission, and 581, Load Dispatching—Distribution.

ITEMS

Labor:

1. Allocating loads to plants and interconnections with others.
2. Directing switching.

3. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.

4. Controlling system voltages.

5. Recording loadings, water conditions, etc.

6. Preparing operating reports and data for billing and budget purposes.

7. Obtaining reports on the weather and special events.

Expenses:

8. Communication service provided for system control purposes.

9. System record and report forms.

10. Meals, traveling and incidental expenses.

11. Obtaining weather and special events reports.

557 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.

560 Operation supervision and engineering.

A. For Major utilities, this account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of the transmission system as a whole. Direct supervision of specific activities, such as station operation, line operation, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

B. For Nonmajor utilities, this account shall include the cost of supervision and labor in the operation of the transmission system.

ITEMS (NONMAJOR ONLY)

Load Dispatching Labor:

1. Direct 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 of efficiency of transmission system.

19. Transferring loads, switching and reconnecting 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. Janitorial work at transmission office buildings, including care of grounds, snow removal, cutting grass, etc.

27. Joint pole maps and prints.

28. Line load and voltage records.

29. Preparing maps and prints.

30. General clerical and stenographic work.

31. Miscellaneous labor.

Federal Energy Regulatory Commission

PL 101

561 Load dispatching (Major only).

This account shall include the cost of labor, materials used and expenses incurred in load dispatching operations pertaining to the transmission of electricity.

ITEMS

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.

Expenses:

6. Communication service provided for system control purposes.
7. System record and report forms.
8. Meals, traveling and incidental expenses.
9. Obtaining weather and special events reports.

562 Station expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in operating transmission substations and switching stations. If transmission station equipment is located in or adjacent to a generating station the expenses applicable to transmission station operations shall nevertheless be charged to this account.

ITEMS

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 or changing voltage of regulators, changing station transformer taps.
3. Inspecting, testing and calibrating station equipment for the purpose of checking its performance.
4. Keeping station log and records and preparing reports on station operation.
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.

Materials and Expenses:

9. Building service expenses.

10. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.

11. Station meter and instrument supplies, such as ink and charts.
12. Station record and report forms.
13. Tool expenses.
14. Transportation expenses.
15. Meals, traveling, and incidental expenses.

563 Overhead line expenses (Major only).

564 Underground line expenses (Major only).

A. These accounts shall include the cost of labor, materials used and expenses incurred in the operation of transmission lines.

B. If the expenses are not substantial for both overhead and underground lines, these accounts may be combined.

ITEMS

Labor:

1. Supervising line operation.
2. Inspecting and testing lightning arresters, circuit breakers, switches, and grounds.
3. Load tests of circuits.
4. Routine line patrolling.
5. Routine voltage surveys made to determine the condition or efficiency of transmission system.
6. Transferring loads, switching and reconnecting circuits and equipment for operating purposes. (Switching for construction or maintenance purposes is not includible in this account.)
7. Routine inspection and cleaning of man-holes, conduit, network and transformer vaults.
8. Electrolysis surveys.
9. Inspecting and adjusting line-testing equipment, such as voltmeters, ammeters, wattmeters, etc.
10. Regulation and addition of oil or gas in high-voltage cable systems.

Materials and Expenses:

11. Transportation expenses.
12. Meals, traveling and incidental expenses.
13. Tool expenses.
14. Operating supplies, such as instrument charts, rubber goods, etc.

565 Transmission of electricity by others (Major only).

This account shall include amounts payable to others for the transmission of the utility's electricity over transmission facilities owned by others.

566 Miscellaneous transmission expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in transmission map and record work, transmission office expenses, and other transmission expenses not provided for elsewhere.

ITEMS**Labor:**

1. General records of physical characteristics of lines and stations, such as capacities, etc.
2. Ground resistance records.
3. Janitor work at transmission office buildings, including care of grounds, snow removal, cutting grass, etc.
4. Joint pole maps and records.
5. Line load and voltage records.
6. Preparing maps and prints.
7. General clerical and stenographic work.
8. Miscellaneous labor.

Materials and Expenses:

9. Communication service.
10. Building service supplies.
11. Map and record supplies.
12. Transmission office supplies and expenses, printing and stationery.
13. First-aid supplies.
14. Research, development, and demonstration expenses.

567 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 3.)

567.1 Operation supplies and expenses (Nonmajor only).

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.

568 Maintenance supervision and engineering (Major only).

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of the transmission system. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

569 Maintenance of structures (Major only).

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 352, Structures and Improvements. (See operating expense instruction 2.)

570 Maintenance of station equipment (Major only).

This account shall include the cost of labor, materials used and expenses incurred in maintenance of station equipment the book cost of which is includible in account 353, Station Equipment. (See operating expense instruction 2.)

571 Maintenance of overhead lines (Major only).

This account shall include the cost of labor, materials used and expenses incurred in maintenance of transmission plant, the book cost of which is includible in accounts 354, Towers and Fixtures, 355, Poles and Fixtures, 356, Overhead Conductors and Devices, 359, Roads and Trails. (See operating expense instruction 2.)

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, cross arms 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.

i. 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 poles replacements.

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.

l. 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.

572 Maintenance of underground lines (Major only).

This account shall include the cost of labor, materials used and expenses incurred in maintenance of transmission plant, the book cost of which is includible in accounts 357, Underground Conduit, and 358, Underground Conductors and Devices. (See operating expense instruction 2.)

ITEMS

1. 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.

2. 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.

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.

l. Repairs to oil or gas equipment in high-voltage cable system and replacement of oil or gas.

573 Maintenance of miscellaneous transmission plant (Major only).

This account shall include the cost of labor, materials used and expenses incurred in maintenance of owned or leased plant which is assignable to transmission operations and is not provided for elsewhere. (See operating expense instruction 2.)

574 Maintenance of transmission plant (Nonmajor only).

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of transmission plant the book cost of which is includible in plant accounts 351 to 359 inclusive. (See operating expense instruction 2.)

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.
- i. 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.
 - l. 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. Refasting, 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.
- 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.
- l. Repairs to oil or gas equipment in high voltage cable system and replacement of oil or gas.

580 Operation supervision and engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of the distribution system. Direct supervision of specific activities, such as station operation, line operation, meter department operation, etc., shall be charged to the appropriate account. (For Major utilities, see operating expense instruction 1.)

581 Load dispatching (Major only).

This account (the keeping of which is optional with the utility) shall include the cost of labor, materials used and expenses incurred in load dispatching operations pertaining to the distribution of electricity.

ITEMS

Labor:

- 1. Directing switching.
- 2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
- 3. Controlling system voltages.
- 4. Preparing operating reports.
- 5. Obtaining reports on the weather and special events.

Expenses:

- 6. Communication service provided for system control purposes.
- 7. System record and report forms.
- 8. Meals, traveling and incidental expenses.

Federal Energy Regulatory Commission

Pt. 101

581.1 Line and station supplies and expenses (Nonmajor only).

582 Station expenses (Major only).

583 Overhead line expenses (Major only).

584 Underground line expenses (Major only).

Accounts 581.1 through 584 shall include, respectively, the cost of labor, materials used and expenses incurred in the operation of overhead and underground distribution lines and stations.

ITEMS

Line Labor:

1. Supervising line operation.
2. Changing line transformer taps.
3. Inspecting and testing lightning arresters, 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 replacements.
8. Installing line transformers or voltage regulators with or without change in capacity provided that the 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 customers' main switch.
10. Transferring loads, switching and re-connecting circuits and equipment for operation purposes.
11. Electrolysis surveys.
12. Inspecting and adjusting line testing equipment.

Line Supplies and Expenses:

13. Tool expenses.
14. Transportation expenses.
15. Meals, traveling and incidental expense.
16. Operating supplies, such as instrument charts, rubber goods, etc.

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.

Station Supplies and Expenses:

9. Building service expenses.
10. Operating supplies, such as lubricants, commutator brushes, water and rubber goods.
11. Station meter and instrument supplies, such as ink and charts.
12. Station record and report forms.
13. Tool expenses.
14. Transportation expenses.
15. Meals, traveling and incidental expenses.

NOTE (MAJOR ONLY): If the utility owns storage battery equipment used for supplying electricity to customers in periods of emergency, the cost of operating labor and of supplies, such as acid, gloves, hydrometers, thermometers, soda, automatic cell fillers, acid proof shoes, etc., shall be included in this account. If significant in amount, a separate subdivision shall be maintained for such expenses.

585 Street lighting and signal system expenses.

A. For Nonmajor utilities, this account shall include the cost of labor, materials used and expenses incurred in the operation of street lighting and signal system plant.

B. For Major utilities, this account shall include the cost of labor, materials used and expenses incurred in: (a) The operation of street lighting and signal system plant which is owned or leased by the utility; and (b) the operation and maintenance of such plant owned by customers where such work is done regularly as a part of the street lighting and signal system service.

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.

586 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.

587 Customer installations expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer installations 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 pick-up 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.

588 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 586, Meter expenses.

Expenses:

8. Operating records covering poles, transformers, manholes, cables, and other distribution facilities. Exclude meter records chargeable to account 586, Meter Expenses and station records chargeable to account 582, Station Expenses (For Nonmajor utilities, account 581.1, Line and Station Expenses), and stores records (For Nonmajor utilities, station records) chargeable to account 163, Stores Expense Undistributed (For Nonmajor utilities, account 581.1, Line and Station Expenses).
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.
13. Research, development, and demonstration expenses (Major only).

589 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 3.)

590 Maintenance supervision and engineering (Major only).

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of the distribution system. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

591 Maintenance of structures (Major only).

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. (See operating expense instruction 2.)

592 Maintenance of station equipment (Major only).

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 362, Station Equipment, and account 363, Storage Battery Equipment. (See operating expense instruction 2.)

592.1 Maintenance of structures and equipment (Nonmajor only).

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 2.)

593 Maintenance of overhead lines (Major only).

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of overhead distribution line facilities, the book cost of which is includible in account 364, Poles, Towers and Fixtures, account 365, Overhead Conductors and Devices, and account 369, Services. (See operating expense instruction 2.)

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 poles.
 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 salvaged for reuse.
 k. Stubbing poles already in service.
 l. Supporting conductors, transformers, and other fixtures and transferring them to new poles during pole replacements.
 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 faulty lines clear, or similar activities at times of emergency.
 h. Sampling, testing, changing, purifying, and replenishing insulating oil.
 i. Transferring loads, switching, and reconnecting circuits and equipment for maintenance purposes.
 j. Repairing line testing equipment.
 k. Trimming trees and clearing brush.
 l. Chemical treatment of right of way area when occurring subsequent to construction of line.

3. Work of the following character on overhead 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.

594 Maintenance of underground lines (Major only).

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of underground distribution line facilities, the book cost of which is includible in account 366, Underground Conduit, account 367, Underground Conductors and Devices, and account 369, Services. (See operating expense instruction 2.)

ITEMS

1. 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.

2. 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 manholes 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.

l. Repairing oil or gas equipment in high voltage cable systems and replacement of oil or gas.

3. Work of the following character on underground services:

a. Cleaning ducts.

b. Repairing any underground service plant.

594.1 Maintenance of lines (Nonmajor only).

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 2.)

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.

l. 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 reconnecting circuits and equipment for maintenance purposes.

j. Repairing line testing equipment.

k. Trimming trees and clearing brush.

l. 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.

l. 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.

595 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 2.)

596 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 2.)

597 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 2.)

598 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 accounts 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 2.)

ITEMS

- a. Work of similar nature to that listed in other distribution maintenance accounts.
- b. Maintenance of office furniture and equipment used by distribution system department.

901 Supervision (Major only).

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer accounting and collecting activities. Direct supervision of a specific activity shall be charged to account 902, Meter Reading Expenses, or account 903, Customer Records and Collection Expenses, as appropriate. (See operating expense instruction 1.)

902 Meter reading expenses.

This account shall include the cost of labor, materials used and expenses incurred in reading customer meters, and determining consumption when performed by employees engaged in reading meters.

ITEMS

Labor:

1. Addressing forms for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Reading meters, including demand meters, and obtaining load information for billing purposes. Exclude and charge to account 586, Meter Expenses, or to account 903, Customer Records and Collection Expenses, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing, or locking, and disconnecting or reconnecting meters.
5. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
6. Collecting from prepayment meters when incidental to meter reading.
7. Maintaining record of customers' keys.
8. Computing estimated or average consumption when performed by employees engaged in reading meters.

Materials and Expenses:

9. Badges, lamps, and uniforms.
10. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.
11. Postage and supplies used in obtaining meter readings by mail.
12. Transportation, meals, and incidental expenses.

903 Customer records and collection expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

ITEMS

Labor:

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.
3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.
4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.
5. Preparing address plates and addressing bills and delinquent notices.
6. Preparing billing data.
7. Operating billing and bookkeeping machines.
8. Verifying billing records with contracts or rate schedules.
9. Preparing bills for delivery, and mailing or delivering bills.
10. Collecting revenues, including collection from prepayment meters unless incidental to meter-reading operations.
11. Balancing collections, preparing collections for deposit, and preparing cash reports.
12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.
13. Balancing customer accounts and controls.
14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.
15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.

Federal Energy Regulatory Commission

Pt. 101

16. Disconnecting and reconnecting service because of nonpayment of bills.

17. Receiving, recording, and handling of inquiries, complaints, and requests for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.

18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.

19. Preparing and periodically rewriting meter reading sheets.

20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

Materials and Expenses:

21. Address plates and supplies.

22. Cash overages and shortages.

23. Commissions or fees to others for collecting.

24. Payments to credit organizations for investigations and reports.

25. Postage.

26. Transportation expenses (Major only), including transportation of customer bills and meter books under centralized billing procedure.

27. Transportation, meals, and incidental expenses.

28. Bank charges, exchange, and other fees for cashing and depositing customers' checks.

29. Forms for recording orders for services removals, etc.

30. Rent of mechanical equipment.

31. Communication service (Nonmajor only).

32. Miscellaneous office supplies and expenses and stationery and printing (Nonmajor only).

NOTE: The cost of work on meter history and meter location records is chargeable to account 586, Meter Expenses.

904 Uncollectible accounts.

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts—Cr. Losses from uncollectible accounts shall be charged to account 144.

905 Miscellaneous customer accounts expenses (Major only).

This account shall include the cost of labor, materials used and expenses in-

curred not provided for in other accounts.

ITEMS

Labor:

1. General clerical and stenographic work.
2. Miscellaneous labor.

Materials and Expenses:

3. Communication service.
4. Miscellaneous office supplies and expenses and stationery and printing other than those specifically provided for in accounts 902 and 903.

906 Customer service and informational expenses (Nonmajor only).

This account shall include the cost of supervision, labor, and expenses incurred in customer service and informational activities, the purpose of which is to encourage safe and efficient use of the utility's service, to encourage conservation of the utility's service, and to assist present customers in answering specific inquiries as to the proper and economic use of the utility's service and the customer's equipment utilizing the service.

907 Supervision (Major only).

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer service activities, the object of which is to encourage safe, efficient and economical use of the utility's service. Direct supervision of a specific activity within customer service and informational expense classification shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 1.)

908 Customer assistance expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in providing instructions or assistance to customers, the object of which is to encourage safe, efficient and economical use of the utility's service.

ITEMS

Labor:

1. Direct supervision of department.
2. Processing customer inquiries relating to the proper use of electric equipment, the

replacement of such equipment and information related to such equipment.

3. Advice directed to customers as to how they may achieve the most efficient and safest use of electric equipment.

4. Demonstrations, exhibits, lectures, and other programs designed to instruct customers in the safe, economical or efficient use of electric service, and/or oriented toward conservation of energy.

5. Engineering and technical advice to customers, the object of which is to promote safe, efficient and economical use of the utility's service.

Materials and Expenses:

6. Supplies and expenses pertaining to demonstrations, exhibits, lectures, and other programs.

7. Loss in value on equipment and appliances used for customer assistance programs.

8. Office supplies and expenses.

9. Transportation, meals, and incidental expenses.

NOTE—Do not include in this account expenses that are provided for elsewhere, such as accounts 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, 587, Customer Installations Expenses, and 912, Demonstrating and Selling Expenses.

909 Informational and instructional advertising expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in activities which primarily convey information as to what the utility urges or suggests customers should do in utilizing electric service to protect health and safety, to encourage environmental protection, to utilize their electric equipment safely and economically, or to conserve electric energy.

Labor:

1. Direct supervision of informational activities.

2. Preparing informational materials for newspapers, periodicals, billboards, etc., and preparing and conducting informational motion pictures, radio and television programs.

3. Preparing informational booklets, bulletins, etc., used in direct mailings.

4. Preparing informational window and other displays.

5. Employing agencies, selecting media and conducting negotiations in connection with the placement and subject matter of information programs.

Materials and Expenses:

6. Use of newspapers, periodicals, billboards, radio, etc., for informational purposes.

7. Postage on direct mailings to customers exclusive of postage related to billings.

8. Printing of informational booklets, dodgers, bulletins, etc.

9. Supplies and expenses in preparing informational materials by the utility.

10. Office supplies and expenses.

NOTE A: Exclude from this account and charge to account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all expenses of a promotional, institutional, goodwill or political nature, which are includible in such accounts as 913, Advertising Expenses, 930.1, General Advertising Expenses, and 426.4, Expenditures for Certain Civic, Political and Related Activities.

NOTE B: Entries relating to informational advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message shall be readily available.

910 Miscellaneous customer service and informational expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in connection with customer service and informational activities which are not includible in other customer information expense accounts.

Labor:

1. General clerical and stenographic work not assigned to specific customer service and informational programs.

2. Miscellaneous labor.

Materials and Expenses:

3. Communication service.

4. Printing, postage and office supplies expenses.

911 Supervision (Major only).

This account shall include the cost of labor and expenses incurred in the general direction and supervision of sales activities, except merchandising. Direct supervision of a specific activity, such as demonstrating, selling, or advertising shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 1.)

912 Demonstrating and selling expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in promotional, demonstrating, and selling activities, except by merchandising, the object of which is to promote or retain the use of utility services by present and prospective customers.

ITEMS**Labor:**

1. Demonstrating uses of utility services.
2. Conducting cooking schools, preparing recipes, and related home service activities.
3. Exhibitions, displays, lectures, and other programs designed to promote use of utility services.
4. Experimental and development work in connection with new and improved appliances and equipment, prior to general public acceptance.
5. Solicitation of new customers or of additional business from old customers, including commissions paid employees.
6. Engineering and technical advice to present or prospective customers in connection with promoting or retaining the use of utility services.
7. Special customer canvasses when their primary purpose is the retention of business or the promotion of new business.

Materials and Expenses:

8. Supplies and expenses pertaining to demonstration, and experimental and development activities.
9. Booth and temporary space rental.
10. Loss in value on equipment and appliances used for demonstration purposes.
11. Transportation, meals, and incidental expenses.

913 Advertising expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise by the utility.

ITEMS**Labor:**

1. Direct supervision of department.
2. Preparing advertising material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail advertising.
4. Preparing window and other displays.
5. Clerical and stenographic work.

6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of sales advertising.

Materials and expenses:

7. Advertising in newspapers, periodicals, billboards, radio, etc., for sales promotion purposes, but not including institutional or goodwill advertising includible in account 930.1, General Advertising Expenses.

8. Materials and services given as prizes or otherwise in connection with civic lighting contests, canning, or cooking contests, bazaars, etc., in order to publicize and promote the use of utility services.

9. Fees and expenses of advertising agencies and commercial artists.

10. Novelties for general distribution.

11. Postage on direct mail advertising.

12. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.

13. Printing booklets, dodgers, bulletins, etc.

14. Supplies and expenses in preparing advertising material.

15. Office supplies and expenses.

NOTE A: The cost of advertisements which set forth the value or advantages of utility service without reference to specific appliances or, if reference is made to appliances invites the reader to purchase appliances from his dealer or refer to appliances not carried for sale by the utility, shall be considered sales promotion advertising and charged to this account. However, advertisements which are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, shall be considered as merchandise advertising and the cost shall be charged to Costs and Expenses of Merchandising, Jobbing and Contract Work, Account 416.

NOTE B: Advertisements which substantially mention or refer to the value or advantages of utility service, together with specific reference to makes of appliances sold by the utility and the price, terms, etc., thereof and designed for the joint purpose of increasing the use of utility service and the sales of appliances, shall be considered as a combination advertisement and the costs shall be distributed between this account and Account 416 on the basis of space, time, or other proportional factors.

NOTE C: Exclude from this account and charge to Account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all institutional or goodwill advertising. (See Account 930.1, General Advertising Expenses.)

916 Miscellaneous sales expenses (Major only).

This account shall include the cost of labor, materials used and expenses incurred in connection with sales activities, except merchandising, which are not includible in other sales expense accounts.

ITEMS**Labor:**

1. General clerical and stenographic work not assigned to specific functions.
2. Special analysis of customer accounts and other statistical work for sales purposes not a part of the regular customer accounting and billing routine.
3. Miscellaneous labor.

Materials and Expenses:

4. Communication service.
5. Printing, postage, and office supplies and expenses applicable to sales activities, except those chargeable to account 913, Advertising Expenses.

917 Sales expenses (Nonmajor only).

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.

920 Administrative and general salaries.

A. This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operating function.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

921 Office supplies and expenses.

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administra-

tive 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 930.2, 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 930.2.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees and other expenses of legal department.
10. Postage, printing and stationery.
11. Meals, traveling and incidental expenses.

922 Administrative expenses transferred—Credit.

This account shall be credited with administrative expenses recorded in accounts 920 and 921 which are transferred to construction costs or to non-utility accounts. (See electric plant instruction 4.)

923 Outside services employed.

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include also the pay and expenses of persons engaged for a

special or temporary administrative or general purpose in circumstances where the person so engaged is not considered as an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

ITEMS

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.

2. Supervision fees and expenses paid under contracts for general management services.

NOTE: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

924 Property insurance.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations. It shall include also the cost of labor and related supplies and expenses incurred in property insurance activities.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

ITEMS

1. Premiums payable to insurance companies for fire, storm, burglary, boiler explosion, lightning, fidelity, riot, and similar insurance.

2. Amounts credited to account 228.1, Accumulated Provision for Property Insurance, for similar protection.

3. Special costs incurred in procuring insurance.

4. Insurance inspection service.

5. Insurance counsel, brokerage fees, and expenses.

NOTE A: The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

NOTE B: The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated.

(1) Materials and supplies and stores equipment, to account 163, Stores Expense Undistributed (store expenses in the case of Nonmajor utilities), or appropriate materials account.

(2) For Major Utilities, transportation and other general equipment to appropriate clearing accounts that may be maintained. For Nonmajor utilities, 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.

NOTE C (MAJOR ONLY): The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in property insurance work may be included in accounts 920 and 921, as appropriate.

925 Injuries and damages.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims. For Major utilities, it shall also include the cost of labor and related supplies and expenses incurred in injuries and damages activities.

B. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

ITEMS

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 228.2, Accumulated Provision for Injuries and Damages, 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, educational or recreational activities for the benefit of employees, and administrative expenses in connection with employee pensions and benefits.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the accounts involved and are not included herein in the first instance.

D. For Major utilities, records in support of this account shall be so kept that the total pensions expense, the total benefits expense, the administrative expenses included herein, and the amounts of pensions and benefits expenses transferred to construction or other accounts will be readily available.

ITEMS

1. Payment of pensions under a nonaccrual or nonfunded basis.

2. Accruals for or payments to pension funds or to insurance companies for pension purposes.

3. Group and life insurance premiums (credit dividends received).

4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.

5. Payments for accident, sickness, hospital, and death benefits or insurance.

6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.

7. Expenses in connection with educational and recreational activities for the benefit of employees.

NOTE A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities may be included in accounts 920 and 921, as appropriate.

NOTE B: Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.

927 Franchise requirements.

A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements; provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, utility service furnished without charge under provisions of franchises.

B. When no direct outlay is involved, concurrent credit for such charges shall be made to account 929, Duplicate Charges—Credit.

C. The account shall be maintained so as to readily reflect the amounts of cash outlays, utility service supplied without charge, and other items furnished without charge.

NOTE A: Franchise taxes shall not be charged to this account but to account 408.1, Taxes Other Than Income Taxes, Utility Operating Income.

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 186, Miscellaneous Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

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 Expense, or account 214, Capital Stock Expense.

929 Duplicate charges—Credit.

This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of utility service from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay.

930.1 General advertising expenses.

This account shall include the cost of labor, materials used, and expenses incurred in advertising and related activities, the cost of which by their content and purpose are not provided for elsewhere.

ITEMS**Labor:**

1. Supervision.
2. Preparing advertising material for newspapers, periodicals, billboards, etc., and preparing or conducting motion pictures, radio and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail advertising.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating and employing advertising agencies, selecting media and conducting negotiations in connection with the placement and subject matter of advertising.

Materials and Expenses:

7. Advertising in newspapers, periodicals, billboards, radio, etc.
8. Advertising matter such as posters, bulletins, booklets, and related items.
9. Fees and expenses of advertising agencies and commercial artists.
10. Postage and direct mail advertising.
11. Printing of booklets, dodgers, bulletins, etc.
12. Supplies and expenses in preparing advertising materials.
13. Office supplies and expenses.

NOTE A: Properly includible in this account is the cost of advertising activities on a local or national basis of a good will or institutional nature, which is primarily designed to improve the image of the utility or the industry, including advertisements which inform the public concerning matters affecting the company's operations, such as, the cost of providing service, the company's efforts to improve the quality of service, the company's efforts to improve and protect the environment, etc. Entries relating to advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message shall be readily available.

NOTE B: Exclude from this account and include in account 430.4, Expenditures for Certain Civic, Political and Related Activities, expenses for advertising activities, which are designed to solicit public support or the support of public officials in matters of a political nature.

930.2 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. For Major utilities, research, development, and demonstration expenses not charged to other operation and maintenance expense accounts on a functional basis.
5. Communication service not chargeable to other accounts.
6. Trustee, registrar, and transfer agent fees and expenses.
7. Stockholders meeting expenses.
8. Dividend and other financial notices.
9. Printing and mailing dividend checks.
10. Directors' fees and expenses.

11. Publishing and distributing annual reports to stockholders.

12. 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. For Nonmajor utilities, transportation and garage equipment, to account 933, Transportation Expenses.

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, customer service and informational, sales, and general and administrative functions of the utility. (See operating expense instruction 3.)

933 Transportation expenses (Nonmajor only).

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.

Federal Energy Regulatory Commission

§ 125.2

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.

935 Maintenance of general plant.

A. This account shall include the cost assignable to customer accounts, sales and administrative and general functions of labor, materials used and expenses incurred in the maintenance of property, the book cost of which is includible in account 390, Structures and Improvements, account 391, Office Furniture and Equipment, account 397, Communication Equipment, and account 398 Miscellaneous Equipment. For Nonmajor utilities, include also other general equipment accounts (not including transportation equipment). (See operating expense instruction 2.)

B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

Steam Power Generation, Account 514.

Nuclear Power Generation, Account 532 (Major only).

Hydraulic Power Generation, Account 545.

Other Power Generation, Account 554.

Transmission, Account 573.

Distribution, Account 598.

Merchandise and Jobbing, Account 416.

Garages, Shops, etc., Appropriate clearing account, if used.

NOTE: Maintenance of plant included in other general equipment accounts shall be included herein unless charged to clearing accounts or to the particular functional maintenance expense account indicated by the use of the equipment.

PART 104 [RESERVED]

NOTE: For the Uniform System of Accounts for all Public Utilities, see part 101 of this subchapter.

PART 125—PRESERVATION OF RECORDS OF PUBLIC UTILITIES AND LICENSEES

Sec.

125.1 Promulgation.

125.2 General instructions.

125.3 Schedule of records and periods of retention.

AUTHORITY: 16 U.S.C. 825, 825c, and 825h; 44 U.S.C. 3501 *et seq.*

§ 125.1 Promulgation.

This Part is prescribed and promulgated as the regulations governing the preservation of records by public utilities subject to the jurisdiction of the Commission and by licensees holding licenses issued by the Commission, to the extent and in the manner set forth therein.

[Order 617, 65 FR 48155, Aug. 7, 2000]

§ 125.2 General instructions.

(a) *Scope of this part.* (1) The regulations in this part apply to all books of account and other records prepared by or on behalf of the public utility or licensee. See item 40 of the schedule (§125.3) for those records that come into possession of the public utility or licensee in connection with the acquisition of property, such as purchase, consolidation, merger, etc.

(2) The regulations in this part should not be construed as excusing compliance with other lawful requirements of any other governmental body, Federal or State, prescribing other record keeping requirements or for preservation of records longer than those prescribed in this part.

(3) To the extent that any Commission regulations may provide for a different retention period, the records should be retained for the longer of the retention periods.

(4) Records other than those listed in the schedule may be destroyed at the option of the public utility or licensee: *Provided, however,* That records which are used in lieu of those listed shall be preserved for the periods prescribed for the records used for substantially similar purposes. And, *provided further,* That retention of records pertaining to added services, functions, plant, etc.,

**Testimony of Timothy Zeldenrust
Documents Relied Upon**

Exhibit TZ-10

1	FCC 01-170 Consolidated Partial Order on Reconsideration dated May 25, 2001	DPL04266-DPL04355
2	Joint Pole Line Agreement Pole Rental Contract dated March 17, 1930 between the Dayton Power and Light Co. and the Ohio Bell Telephone Company	ATT-R1a.pdf
3	The Dayton Power and Light Company FERC Form-1, Annual Report of Major Electric Utilities, Licensees and Others for the year ended December 31, 2005	FERC Form I 2005.pdf
4	Form 10-K's filed by the Dayton Power and Light Company for the years 2003 and 2005.	DP&L 2005 10-K.htm, DP&L 2003 10-K.htm
5	DP&L FCC Rate Using 50% Space Factor	DPL-04193 - DPL-04194
6	The Dayton Power and Light Company Rate of Return Calculation as of March 31, 2005	DPL-04195 - DPL-04197
7	Joint Pole Use Agreement dated July 1, 1969 between Dayton Power and Light Company and (Redacted "Phone 1") file identified as Phone 1 Joint Pole Use Agreement.pdf	Phone 1 - Joint Pole Use Agreement.pdf
8	Spreadsheet provided by Dayton Power and Light Company entitled "4-4 FERC Depreciation rates_for DSL_July 6, 2007" provided in response to AT&T Ohio's 4th set of data requests	4-4 FERC Depreciation rates_for DSL_July 6, 2007.xls
9	Dayton Power and Light Company Trial Balances for the years 2000 - 2006 and June 2007 provided electronically in Excel format	See 8 files with a format C6 Dec-00.xls and so forth.
10	Spreadsheet provided by Dayton Power and Light Company entitled FCC Calculation Data Source.xls provided in response to AT&T Ohio's 4th set of data requests	FCC Calculation Data Source.xls
11	Spreadsheet provided by Dayton Power and Light Company entitled Question#1 Fifth Set Questions_July 23, 2007_Depreciation Rates with COR.xls	Question#1 Fifth Set Questions_July 23, 2007_Depreciation Rates with COR.xls
12	Spreadsheet provided by AT&T Ohio entitled RFP 18.confidential.Attachment A (Pole Attachment Rate Calculation).xls	RFP 18.confidential.Attachment A (Pole Attachment Rate Calculation).xls
13	Deposition transcripts of Kenton, Seger and Dominak	
14	Financial Accounting Standards Board Emerging Issues Task Force Issue 06-03 How Taxes Collected from Customers and Remitted to Governmental Authorities Should be Presented in the Income Statement (That is, Gross Versus Net Presentation)	Accounting Research Manager - 06-03 Abstract.htm
15	DP&L Electric Engineering Standards Section 51 - Tree Trimming	51-1.pdf, 51-3-1.pdf, 51-3-2.pdf
16	Federal Energy Regulatory Commission Uniform System of Accounts 18CFR Part 101 for Assets and Operation and Maintenance Expenses	http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=a1c36a909490a7f1508137221b50c2c6&rgn=div5&view=text&nodc=18:1.0.1.3.34&idno=18

**Testimony of Timothy Zeldenrust
Documents Relied Upon**

Exhibit TZ-10

17	Federal Energy Regulatory Commission Docket No. RM02-7-000, Order No. 631 Accounting, Financial Reporting, and Rate Filing Requirements for Asset Retirement Obligations Issued April 9, 2003	RM02-7-04-09-03.pdf
18	FASB Statement of Financial Accounting Standards No. 143 – Accounting for Asset Retirement Obligations	Accounting Research Manager - FAS 143 1-28.htm
19	Document obtained from PUCO Website dated March 31, 2005 Docket No. 05-1000-EL-UNC Annual Report of The Dayton Power and Light Company .	PUCO Docket 05-1000-EL-UNC.pdf
20	Dayton Power and Light Company's Responses to AT&T Ohio's Second Set of Data Requests	Response 6 and Request to Admit 2
21	Dayton Power and Light Company's Responses to AT&T Ohio's Third Set of Data Requests	Responses 20, 25, 26, 27, 28 and 29
22	Dayton Power and Light Company's Responses to AT&T Ohio's Fourth Set of Data Requests	Responses 1, 4, 5, 6, 8, 9, 10, 13 and 14. Document Request 1, 6
23	Dayton Power and Light Company's Responses to AT&T Ohio's Fifth Set of Data Requests	Responses 1, 2, 3, 5, 6, 16, 18, 22 and 25 Document Request 1
24	Dayton Power and Light Company's Supplemental Responses to AT&T Ohio's Fifth Set of Data Requests	Supplemental responses to 5, 6, 14 and 22
25	Dayton Power and Light Company's Supplemental Responses to AT&T Ohio's Sixth Set of Data Requests	Responses 2, 3, 4, 5, and 6