

the land accounts. If, at the time of acquisition of an interest in land the interest extends to buildings or other improvements (other than public improvements) that are then devoted to operations, the land and improvements must be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking must be charged and the salvage credited to the account in which the cost of the land is recorded.

(g) Provisions must be made for amortizing amounts carried in the accounts for limited-term interests in land so as to apportion equitably the cost of each interest over the life thereof. (See account 111, Accumulated provision for amortization of service company property in §367.1110, and account 404, Amortization of limited-term property in §367.4040.)

(h) The items of cost to be included in the accounts for land and land rights are as follows:

(1) Bulkheads, buried, not requiring maintenance or replacement.

(2) Cost, first, of acquisition including mortgages and other liens assumed (but not the related subsequent interest).

(3) Condemnation proceedings, including court and counsel costs.

(4) Consents and abutting damages, payment for.

(5) Conveyancers' and notaries' fees.

(6) Fees, commissions, and salaries to brokers, agents and others in connection with the acquisition of the land or land rights.

(7) Leases, cost of voiding upon purchase to secure possession of land.

(8) Removing, relocating, or reconstructing, property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, in order to acquire quiet possession.

(9) Retaining walls unless identified with structures.

(10) Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes

levied to provide for the maintenance of such improvements.

(11) Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where the costs are attributable to structures or plant equipment erected or to be erected or installed on the land.

(12) Taxes assumed, accrued to date of transfer of title.

(13) Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.

(14) Appraisals prior to closing title.

(15) Cost of dealing with distributees or legatees residing outside of the state or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of state tax.

(16) Filing satisfaction of mortgage.

(17) Documentary stamps.

(18) Photographs of property at acquisition.

(19) Fees and expenses incurred in the acquisition of water rights and grants.

(20) Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.

(21) Sidewalks and curbs constructed by the service company on public property.

(22) Labor and expenses in connection with securing rights of way, where performed by company employees and company agents.

#### § 367.56 Structures and improvements.

(a) The accounts for structures and improvements must include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and that cannot be removed from the buildings and facilities without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on, or to, land. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction and installation of property.

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(b) The cost of specially-provided foundations not intended to outlast the machinery or apparatus for which provided, and associated costs, such as angle irons, castings, and other items installed at the base of an item of equipment, must be charged to the same account as the cost of the machinery, apparatus, or equipment.

(c) Where the structure of a dam also forms the foundation of the service company building, the foundation must be considered a part of the dam.

(d) The cost of disposing of materials excavated in connection with construction of structures must be considered as a part of the cost of that work, except as follows:

(1) When the material is used for filling, the cost of loading, hauling, and dumping must be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

(2) When the material is sold, the net amount realized from the sales must be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess must be credited to the land account in which the site is carried.

(e) Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration must not be included in the cost of the building but in the appropriate equipment account.

(f) This account must include the following items:

(1) Architects' plans and specifications including supervision.

(2) Ash pits (when located within the building).

(3) Athletic field structures and improvements.

(4) Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and air-conditioning systems, plumbing, vacuum cleaning systems, incinerator and smoke pipe, flues and similar items.

(5) Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, and similar items when ex-

posed and subject to maintenance and replacement.

(6) Chimneys.

(7) Coal bins and bunkers.

(8) Commissions and fees to brokers, agents, architects, and others.

(9) Conduit (not to be removed) with its contents.

(10) Damages to abutting property during construction.

(11) Docks.

(12) Door checks and door stops.

(13) Drainage and sewerage systems.

(14) Elevators, cranes, hoists, and the machinery for operating them.

(15) Excavation, including shoring, bracing, bridging, refill and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdams during construction, and test borings.

(16) Fences and fence curbs (not including protective fences isolating items of equipment, which must be charged to the appropriate equipment account).

(17) Fire protection systems when forming a part of a structure.

(18) Flagpole.

(19) Floor covering (permanently attached).

(20) Foundations and piers for machinery, constructed as a permanent part of a building or other item listed in this paragraph (f).

(21) Grading and clearing when directly occasioned by the building of a structure.

(22) Intrasite communication system, poles, pole fixtures, wires, and cables.

(23) Landscaping, lawns, shrubbery and similar items.

(24) Leases, voiding upon purchase to secure possession of structures.

(25) Leased property, expenditures on.

(26) Lighting fixtures and outside lighting system.

(27) Mail chutes when part of a building.

(28) Marquee, permanently attached to building.

(29) Painting, first cost.

(30) Permanent paving, concrete, brick, flagstone, asphalt, within the property lines.

(31) Partitions, including movable.

(32) Permits and privileges.

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(33) Platforms, railings, and gratings when constructed as a part of a structure.

(34) Power boards for services to a building.

(35) Refrigerating systems for general use.

(36) Retaining walls except when identified with land.

(37) Roadways, railroads, bridges, and trestles intrasite except railroads provided for in equipment accounts.

(38) Roofs.

(39) Scales, connected to and forming a part of a structure.

(40) Screens.

(41) Sewer systems, for general use.

(42) Sidewalks, culverts, curbs and streets constructed by the service company on its property.

(43) Sprinkling systems.

(44) Sump pumps and pits.

(45) Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building.

(46) Steel inspection during construction.

(47) Storage facilities constituting a part of a building.

(48) Storm doors and windows.

(49) Subways, areaways, and tunnels, directly connected to and forming part of a structure.

(50) Tanks, constructed as part of a building or as a distinct structural unit.

(51) Temporary heating during construction (net cost).

(52) Temporary water connection during construction (net cost).

(53) Temporary shanties and other facilities used during construction (net cost).

(54) Topographical maps.

(55) Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.

(56) Vaults constructed as part of a building.

(57) Watchmen's sheds and clock systems (net cost when used during construction only).

(58) Water basins or reservoirs.

(59) Water front improvements.

(60) Water meters and supply system for a building or for general company purposes.

(61) Water supply piping, hydrants and wells.

(62) Wharves.

(63) Window shades and ventilators.

(64) Yard drainage system.

(65) Yard lighting system.

(66) Yard surfacing, gravel, concrete, or oil. (First cost only.)

(g) Structures and Improvements accounts must be credited with the cost of structures created to house, support, or safeguard equipment, the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

### § 367.57 Equipment.

(a) The cost of equipment chargeable to the service company property accounts, unless otherwise indicated in the text of an equipment account, includes the related net purchase price, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the service company, labor employed, materials and supplies consumed, and expenses incurred by the service company in unloading and placing the equipment in readiness to operate. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction and installation of property.

(b) Exclude from equipment accounts hand and other portable tools, that are likely to be lost or stolen or that have relatively small value (for example, \$500 or less) or short life, unless the correctness of the related accounting as service company property is verified by current inventories. Special tools acquired and included in the purchase price of equipment must be included in the appropriate property account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, or similar items, or in stores, must be charged to the property account appropriate for their use.

(c) The equipment accounts must include angle irons and similar items that are installed at the base of an