

§ 367.82

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and clearing accounts includes labor, materials, overheads and other expenses incurred in maintenance work. A list of work operations applicable generally to service company property is included in paragraph (d) of this section. Other work operations applicable to specific classes of property are listed in functional maintenance expense accounts.

(b) Materials recovered in connection with the maintenance of property must be credited to the same account to which the maintenance cost was charged.

(c) Maintenance of property leased from others must be treated as provided in operating expense instruction in § 367.82.

(d) This account must include the following items:

(1) Direct field supervision of maintenance.

(2) Inspecting, testing, and reporting on condition of property specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have been made.

(3) Work performed specifically for the purpose of preventing failure, restoring serviceability or maintaining life of property.

(4) Rearranging and changing the location of property.

(5) Repairing for reuse materials recovered from property.

(6) Testing for locating and clearing trouble.

(7) Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.

(8) Replacing or adding minor items of plant which do not constitute a retirement unit. (See Service Company Property Instruction in § 367.59.)

§ 367.82 Rents.

(a) The rent expense accounts provided under the several functional groups of expense accounts must include all rents, including taxes paid by the lessee on leased property, for property used in the operations of the service company, except:

(1) Minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be

includible in property accounts 391 to 398 (§§ 367.3910 to 367.3980), inclusive, that must be treated as an expense item and included in the appropriate functional account, and

(2) Rents that are chargeable to clearing accounts, and distributed from the clearing accounts to the appropriate account. If rents cover property used for more than one function, such as production and transmission, or by more than one department, the rents must be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.

(b) When a portion of property or equipment rented from others for use in connection with service company operations is subleased, the revenue derived from the subleasing must be credited to the rent revenue account in operating revenues. However, if the rent was charged to a clearing account, amounts received from subleasing the property must be credited to the clearing account.

(c) The cost, when incurred by the lessee, of operating and maintaining leased property, must be charged to the accounts appropriate for the expense if the property were owned.

(d) The cost incurred by the lessee of additions and replacements to property leased from others must be accounted for as provided in Service Company Property Instruction in § 367.54.

§ 367.83 Training costs.

When it is necessary that employees be trained to specifically operate or maintain facilities that are being constructed, the related costs must be accounted for as a current operating and maintenance expense. These expenses must be charged to the appropriate functional accounts currently as they are incurred. However, when the training costs involved relate to facilities that are not conventional in nature, or are new to the service company's operations, these costs may be capitalized until the time that the facilities are ready for functional use.