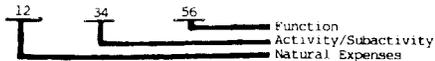


**§ 1242.04 Special tests.**

When the separation of common expense accounts between freight and passenger services is based upon special tests or service unit factors, such tests shall be made at sufficiently frequent intervals to represent actual operating conditions. The service unit factors used are those of the reporting period.

**§ 1242.05 Operating expense account number notation.**

(a) The operating expense account numbers consist of a six-digit coding structure divided into three two-digit groups. The first two-digit group denotes natural expenses; the second group denotes activities/subactivities for freight, passenger or common service; and the third group signifies applicable function assignment.



(b) For reporting purposes, four natural expense categories are utilized. The categories are: salaries and wages (account 11-XX-XX); material, tools, supplies, fuels and lubricants (account 21-XX-XX); purchased services (accounts 31-XX-XX to 41-XX-XX, inclusive); and general (accounts 61-XX-XX to 65-XX-XX, inclusive, 51-XX-XX, 52-XX-XX, 53-XX-XX and 12-XX-XX).

(c) The symbol "XX" in the first two-digit group is used throughout the separation instructions to denote more than one natural expense associated with the same activity/subactivity-function account structure. For reporting purposes, the natural expense account numbers represented by "XX" include:

- 11—Salaries and wages;
- 21—Materials, tools, supplies, fuels, and lubricants;
- 30 or 41—Purchased services:
  - 30—Summation of certain purchased service accounts;
  - 41—Other purchased services;
- 61—General.

(d) The "30" natural expense designation indicates a summation of specific purchased service accounts that are reported in total rather than individually. The specific accounts under the way and structures activity except for administration functions include 39-

1X-XX, repairs billed by others, Dr.; 40-1X-XX, repairs billed to others, cr.; and 41-1X-XX, other purchased services. For the equipment activity excluding administration functions, the "30" designation denotes the summation of 39-2X-XX and 41-2X-XX.

(e) The "41" natural expense designation (other purchased services) is the purchased service category of the "XX" code for the following:

- (1) Way and structures activity administration—function accounts,
- (2) Equipment activity administration—function accounts,
- (3) Transportation activity expense accounts, and
- (4) General and administration activity expense accounts.

(f) The "61" general natural expense designation is applicable to all accounts with the "XX" symbol except transportation, train and yards accounts (XX-(33/43/53)-XX).

(g) The natural expense account number "50" is used throughout the separation instructions to indicate the summation of accounts 52-XX-XX, Other casualties, and 53-XX-XX, Insurance, that are reported as one item, "Casualties and Insurance," (50-XX-XX).

(h) The number "98" in the function account group (last two digits) is used in the separation rules to designate the summation of a natural expense consisting of more than one functional assignment that is reported as one item. This includes Repairs Billed to Others, Cr.—Equipment (40-2X-XX). For example, the locomotive subactivity contains accounts 40-(21/24/26)-40, 40-(21/24/26)-41, and 40-(21/24/26)-48 which are treated as 40-(21/24/26)-98.

**§ 1242.06 Instructions for separation.**

(a) Certain instructions for separating common expense accounts (dependent accounts) between freight and passenger services base the allocation on the proportional freight/passenger separation of other common expense accounts (independent accounts). The dependent account is frequently identified by an "XX" symbol in the natural expense position (first two digits) with corresponding independent accounts also identified by the "XX" natural expense symbol. Unless otherwise stated,

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the applicable natural expense associated with "XX" symbol shall be the same for both the dependent and independent accounts.

(b) To illustrate, § 1242.10 provides instructions for separating common Way and Structures, Administration—Track accounts (dependent accounts) designated by XX-19-02. The separation is based on certain other common Way and Structures accounts including Roadway—Running, XX-17-10, and Roadway—Switching, XX-18-10.

(c) As § 1242.05 states, the "XX" symbol denotes the following natural expenses for Way and Structures administration functions:

- 11—Salaries and wages,
- 21—Materials, tools, supplies, fuels, and lubricants,
- 41—Other purchased services, and
- 61—General.

These natural expenses shall be individually applied to the separation rules in § 1242.10. In each case, the independent accounts providing the basis for freight/passenger separation of the dependent account shall have the same natural expense designation. For example, the basis of separating account 11-19-02, Salaries and Wages, Way and Structures, Administration—Track, would be based on certain independent accounts including 11-17/18-10, Salaries and Wages, Way and Structures, Running/Switching, Repair and Maintenance, Roadway.

OPERATING EXPENSES—WAY AND STRUCTURES

§ 1242.10 Administration—track (account XX-19-02).

Separate common administration—track expenses between freight and passenger services in the same proportion as the common expenses of the following accounts are separated between freight and passenger services:

- Roadway:
  - Running (XX-17-10)
  - Switching (XX-18-10)
- Ties:
  - Running (21-17-13)
  - Switching (21-18-13)
- Rails:
  - Running (21-17-14)
  - Switching (21-18-14)
- Other Track Materials:
  - Running (21-17-15)

- Switching (21-18-15)
- Ballast:
  - Running (21-17-16)
  - Switching (21-18-16)
- Track Laying and Surfacing:
  - Running (XX-17-17)
  - Switching (XX-18-17)
- Road Property Damaged:
  - Running (XX-17-48)
  - Switching (XX-18-48)
  - Other (XX-19-48)
- Dismantling Retired Road Property:
  - Running (XX-17-39)
  - Switching (XX-18-39)
  - Other (XX-19-39)

§ 1242.11 Administration—bridges and buildings (account XX-19-03).

Separate common administration—bridges and buildings expenses between freight and passenger services in the same proportion as the common expenses of the following accounts are separated between freight and passenger services:

- Tunnels and Subways:
  - Running (XX-17-11)
  - Switching (XX-18-11)
- Bridges and Culverts:
  - Running (XX-17-12)
  - Switching (XX-18-12)
- Electric Power Systems (XX-19-21)
- Station and Office Buildings (XX-19-23)
- Shop Buildings:
  - Locomotives (XX-19-24)
  - Other Equipment (XX-19-26)
  - Locomotive Servicing Facilities (XX-19-27)
  - Miscellaneous Buildings and Structures (XX-19-28)

§ 1242.12 Administration—signals (account XX-19-04).

Separate common administration—signals expenses between freight and passenger services in the same proportion as the common expenses of the following accounts are separated between freight and passenger services:

- Signals and Interlockers:
  - Running (XX-17-19)
  - Switching (XX-18-19)

§ 1242.13 Administration—communications (account XX-19-05).

Separate common administration—communications expenses between freight and passenger services in the same proportion as the common expenses of the following accounts are separated between freight and passenger services:

- Communications Systems (XX-19-20)