

removed and the words "Each utility" are added in their place.

22. In Part 201, Gas Plant Instructions, paragraph 12, the words "(105.1, Production Properties Held for Future Use, in the case of Major companies)" are removed and the words "105.1, Production Properties held for Future Use," are added in their place, and the words "(Major Companies)" in the note are removed.

23. In Part 201, Gas Plant Instructions, paragraph 14, the words "(Major natural gas companies)" are removed at the end of the heading.

24. In Part 201, Gas Plant Instructions, paragraph 15A., the words "(account 180, Other Deferred Debits, in the case of Nonmajor companies)" are removed from paragraph A.(1), the words "(the amounts recorded in account 186 shall be cleared to the appropriate plant accounts, in the case of Nonmajor companies)" are removed from paragraph A.(2), and the words "(Account 180 in the case of Nonmajor companies)" are removed from paragraph A.(3).

25. In Part 201, Gas Plant Instructions, paragraph 16 is removed.

26. In Part 201, Operating Expense Instructions, paragraph 1, the words "(Major natural gas companies)" at the end of the heading are removed.

27. In Part 201, Balance Sheet Chart of Accounts, and Balance Sheet Accounts, the words "(Major only)" at the end of the headings of Accounts 103, 105.1, 106, 108, 111, 115, 117, 123, 123.1, 125, 126, 128, 131 through 135, 151 through 153, 155, 156, 163, 164.3, 166, 167, 171 through 173, 183.1, 183.2, 184, 185, 188, 202, 203, 205 through 210, 216.1, 222, 238 through 241 are removed.

28. In Part 201, Balance Sheet Chart of Accounts, Accounts 103.1, 110, 129, 180, and 218, and their respective titles are removed.

29. In Part 201, Balance Sheet Accounts, Accounts 117A, 117D, 117E, 117F, and 117G are removed, Accounts 117B and 117C are redesignated 117.3B and 117.3C, respectively, new Accounts 117.1, 117.2, 117.3A, and 117.4 are added, and redesignated Account 117.3C is revised to read as follows:

#### Balance Sheet Accounts

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#### 117.1 Gas stored-Base gas.

This account is to include the cost of recoverable gas volumes that are necessary, in addition to those volumes for which cost are properly includable in Account 101, Gas plant in service, to maintain pressure and deliverability requirements for each storage facility. Subaccounts are to be maintained so that the cost of base gas applicable to each

gas storage facility shall not be changed from the amount initially recorded except for changes in volumes designated as base gas.

#### 117.2 System balancing gas.

This account is to be used to record the cost of system gas designated as available for transmission load balancing (including no-notice transportation) and other uses associated with maintaining efficient transmission operations other than gas properly recordable in Account 117.1 or the plant accounts. The cost initially recorded herein shall not be changed except for adjustments to volumes designated as system gas. Detailed records must be kept separately identifying volumes and unit prices of system gas held in underground storage facilities and held in pipelines.

#### 117.3 Gas stored in reservoirs and pipelines-noncurrent.

A. This account shall include the cost of stored gas available for sale.

B. Gas stored during the year shall be priced at cost according to generally accepted methods of cost determination consistently applied from year to year. Transmission expenses for facilities of the utility used in moving the gas to the storage area and expenses of storage facilities shall not be included in the inventory of gas except as may be authorized or directed by the Commission.

**Note B-1:** In general, gas stored from the supply in an integrated system shall be priced at the average cost of the gas constituting the common supply of the system, although this general rule may be departed from where conditions of system operation of gas supply and utilization permit a valid presumption that the gas stored may be considered to be from specified sources, as indicated below.

**Note B-2:** When in harmony with the overall system operation of gas supply and utilization, and the presumption is consistently observed from year to year, gas stored during the year may be presumed to be from total gas purchases, or from purchases from specified sources. When either of these presumptions is proper, the cost of gas stored shall be priced at the weighted average cost of all gas purchased, or at the weighted average cost of purchases from the specified sources, as appropriate. The weighted average cost may be the average for preceding twelve months, except where a significant change occurs in the cost of gas, the full effect of such change shall be reflected for the period after the change is effective.

**Note B-3:** When in harmony with the overall system operation of gas supply and utilization, and the presumptions are consistently observed from year to year, gas stored during the year may be presumed to be from identified sources of the utility's own production. Such stored gas shall be priced at the weighted average cost of gas produced from the specified production areas. Where this presumption is made, or where the stored gas is identified as a matter of fact under circumstances which do not permit a proper application of the theory of displacement, the utility shall maintain

separate records of the cost of gas produced from such areas and the derivation of the cost used for stored gas from such sources.

**Note B-4:** Where gas is purchased specifically for storage, or a price concession received because of the storing of purchased gas, such gas shall be priced at the net contract price of the gas so purchased and stored.

**Note B-5:** The provisions of this instruction and the related footnotes shall not be construed as permitting or authorizing a restatement of the amounts at which stored gas inventories are stated on the utility's books at the effective date of this instruction, except as may be authorized by the Commission.

C. Withdrawals of gas may be priced according to the first-in-first-out, last-in-first-out, or weighted average cost method, provided the method adopted by the utility is used consistently from year to year and the inventory records are maintained in accordance therewith. Approval of the Commission must be obtained for any other pricing method, or change in the pricing method adopted by the utility.

#### 117.4 Gas owed to system gas.

A. This account shall include credit balances resulting from withdrawals from system gas of volumes that encroach upon the volumes designated as base gas (Account 117.1), system balancing gas (Account 117.2), and gas properly recordable in the plant accounts. Withdrawals are to be credited to this account and charged to Account 808.1, Gas Withdrawn From Storage-Debit, at an amount equal to the current market price of gas available to the utility. Gas owned by the utility and injected into the system will be deemed to satisfy the owed to system account first before any other use. The gas injected is to be priced at the same rate used to price withdrawals by crediting Account 808.2, Gas Delivered to Storage-Credit. If the owed to system balance is due to more than one transaction, the accounting for injections should follow a queue with the earlier transaction being the first accounted for.

B. Detailed records must be kept for each transaction identifying volumes and unit prices used for gas owed to system gas.

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30. In Part 201, Balance Sheet Accounts, Account 154, the words "For Nonmajor utilities, this account shall include the cost of fuel on hand and unapplied materials and supplies (except meters and house regulators). For both Major and Nonmajor utilities, it shall" are removed from the introductory text of paragraph A, paragraph C and Note B are removed, Note A is redesignated Note, and the words "they may be charged to a stores expense clearing account (account 163, Stores Expenses Undistributed, in the case of Major Utilities), and distributed therefrom to the appropriate accounts" in redesignated Note are removed and the words "they shall be charged to account 163, Stores expenses Undistributed" are added in their place.