

Figure 1

for the first character in the symbol was prepared (see chart, Figure 2, page 91). It was found that by following the instructions as shown by the three questions asked on the chart, little or no difficulty was encountered by those using the classification.

In this paper only two general ledger accounts need to be considered: first, "C," representing Electric Operating and Maintenance Expense, that is, departmental costs; and, second, "E," representing Electric Customers' Expense, that is cost of each class of service rendered. The charges accumulated under "C" are either transferred or prorated to "E." The costs incurred under the other general ledger accounts have no bearing on operating and maintenance costs applicable to electric customers' expense. Physical assets were distributed to classes of customers as the expense was incurred and, therefore, remained a fixed cost, just as fixed costs are incurred and treated in an industrial plant.

Electric operating expenses, represented by the letter "C" on the base sheet of the Classification of Charges (see Figure 2, page 91), were subdivided as follows:

CB General expense. Cost of conducting the general offices of the entire property. Also cost of time keeping and planning departments, laboratory and testing departments, machine shops and conveyance departments of each division. All costs outside the general office costs must be charged directly to the district department which incurred the expense.

CC Commercial expense. All expense in connection with the customers' accounts.

CD Distribution expense. Cost of conducting electric current from the substation terminal board to the customers' premises, including repairs to electric meters other than station meters.

CN New business expense. Cost of securing new business.

CP Production expense. Cost of electric current

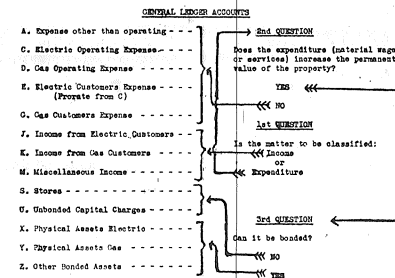


Figure 2

delivered to power station terminal board.

CT Transmission expense. Cost of conducting current from the power station terminal board to the substation terminal board.

CU Utilization expense. Cost of repairs to, renewals and trimming of, lamps; repairs to company's property on customers' premises made gratuitously but not for the purpose of securing new business. These costs are charged direct to the class of customers' in the district in which the expense is incurred.

General expense was further subdivided as follows:

- CBM General office of the entire property
- CBN Time Keeping and Planning Departments
- CBP Purchasing
- CBS Stores Department
- CBT Machine Shop and Tool Department
- CBV Conveyance Department
- CBX Laboratory and Testing Department

With the exception of the general office and purchasing, each of the above departments had a branch in the four district offices. The expense incurred by the departments in the district offices was generally local expense and could be charged directly either to a district or division. Such items as the salary and expenses of the general storekeeper, main testing laboratory, etc., were prorated, based upon the amount of expense incurred in each district.

The electric customers were classified as follows:

- A Municipal lights
- B Municipal metered incandescent lamps

- C Commercial incandescent lamps
- J Flat rate customers
- K Curbside lighting
- M Mine customers
- P Power customers (except mines)
- R Residential metered customers
- S Sign and display lighting
- X Unclassified customers
- Z All classes of customers

The class "Z," that is "all classes of customers," was used only to accumulate the total expense for the division when the expense incurred or prorated could not be charged directly to a specific class of customers.

Auxiliary Department

Purchasing, stores, planning, tool and machine shop, and conveyance expense were incurred for all departments. Purchasing expense was distributed on the basis of stores issued from each district store room and combined with the store room costs. This in turn was prorated to the departments on the basis of stores issued during the month to each division of the general departments under the jurisdiction of the planning department. The allocation was made on the basis of the expenditures made during the month. The expenses of the tool and machine and conveyance departments were distributed on an hourly rate, arrived at by the expense incurred by each vehicle and shop.

If, when using this classification, it will be kept in mind that the letter "C," as the first character in a symbol, always represents "electric operating expense," the first letter symbol following "C" is a subdivision of the department, and the third letter following "C" is a detail of expense, the cost symbols used can easily be followed.

Likewise the letter "E," as the first character of a symbol, represents "electric customers' expense," the first letter after "E" is always a district (county); the number preceding the division letter represents the various divisions (communities) of the district; the second letter following "E" is the class of customer served. Following are illustrations of symbols of *electric operating expense* and *electric customers' expense*.

- C P A A C Electric Operating Expense
- P Production Department
- A Power Plant A
- A Superintendence