**Section 650.170 Accounting Instruction 40**

a) Class A Utilities shall maintain the accounts listed in subsections (a)(1) through (a)(8) of this Section.

1) Utility Operating Accounts

Account No.

|  |  |
| --- | --- |
| 400 | Operating Revenues |
| 401 | Operating Expenses |
| 403 | Depreciation Expenses |
| 406 | Amortization of Utility Plant Acquisition Adjustments |
| 407 | Amortization Expense |
| 407.1 | Amortization of Limited Term Plant |
| 407.2 | Amortization of Property Losses |
| 407.3 | Amortization of Other Utility Plant |
| 407.4 | Amortization of Regulatory Assets |
| 407.5 | Amortization of Regulatory Liabilities |
| 408 | Taxes Other Than Income |
| 408.10 | Utility Regulatory Assessment Fees |
| 408.11 | Property Taxes |
| 408.12 | Payroll Taxes |
| 408.13 | Other Taxes and Licenses |
| 409 | Income Taxes |
| 409.10 | Federal Income Taxes, Utility Operating Income |
| 409.11 | State Income Taxes, Utility Operating Income |
| 409.12 | Local Income Taxes, Utility Operating Income |
| 410 | Provision for Deferred Income Taxes |
| 410.10 | Deferred Federal Income Taxes |
| 410.11 | Deferred State Income Taxes |
| 410.12 | Deferred Local Income Taxes |
| 411 | Provision for Deferred Income Taxes – Credit |
| 411.10 | Provision for Deferred Income Taxes – Credit, Utility Operating Income |
| 412 | Investment Tax Credits |
| 412.10 | Investment Tax Credits Deferred to Future Periods, Utility Operations |
| 412.11 | Investment Tax Credits Restored to Operating Income, Utility Operations |
| 413 | Income From Utility Plant Leased to Others |
| 414 | Gains (Losses) From Disposition of Utility Property |

2) Other Income and Deductions

|  |  |
| --- | --- |
| 415 | Revenues from Merchandising, Jobbing and Contract Work |
| 416 | Costs and Expenses of Merchandising, Jobbing and Contract Work |
| 419 | Interest and Dividend Income |
| 420 | Allowance for Funds Used During Construction |
| 421 | Nonutility Income |
| 426 | Miscellaneous Nonutility Expenses |

3) Taxes Applicable to Other Income and Deductions

|  |  |
| --- | --- |
| 408 | Taxes Other Than Income |
| 408.20 | Taxes |
|  | Deductions |
| 409 | Income Taxes |
| 409.20 | Income Taxes, Other Income and Deductions |
| 410 | Provision for Deferred Income Taxes |
| 410.20 | Provision for Deferred Income Taxes Other Income and Deductions |
| 411 | Provision for Deferred Income Taxes – Credit |
| 411.20 | Provision for Deferred Income Taxes – Credit, Other Income and Deductions |
| 412 | Investment Tax Credit |
| 412.20 | Investment Tax Credits – Net, Nonutility Operations |
| 412.30 | Investment Tax Credits Restored to Non-operating Income, Utility Operations |

4) Interest Expense

|  |  |
| --- | --- |
| 427 | Interest Expense |
| 427.1 | Interest on Debt to Affiliated Interests |
| 427.2 | Interest on Short-Term Debt |
| 427.3 | Interest on Long-Term Debt |
| 427.4 | Interest on Customer Deposits |
| 427.5 | Interest – Other |
| 428 | Amortization of Debt Discount and Expense |
| 429 | Amortization of Premium on Debt |

5) Extraordinary Items

|  |  |
| --- | --- |
| 433 | Extraordinary Income |
| 434 | Extraordinary Deductions |
| 409.30 | Income Taxes, Extraordinary Items |

6) Retained Earnings Accounts

|  |  |
| --- | --- |
| 435 | Balance Transferred From Income |
| 436 | Appropriations of Retained Earnings |
| 437 | Dividends Declared – Preferred Stock |
| 438 | Dividends Declared – Common Stock |
| 439 | Adjustments to Retained Earnings |

7) Sewer Operation Revenue Accounts

A) Sewer Revenues

|  |  |
| --- | --- |
| 521 | Flat Rate Revenues |
| 521.1 | Residential Revenues |
| 521.2 | Commercial Revenues |
| 521.3 | Industrial Revenues |
| 521.4 | Revenue from Public Authorities |
| 521.5 | Multiple Family Dwelling Revenues |
| 521.6 | Other Revenues |
| 522 | Measured Revenues |
| 522.1 | Residential Revenues |
| 522.2 | Commercial Revenues |
| 522.3 | Industrial Revenues |
| 522.4 | Revenues from Public Authorities |
| 522.5 | Multiple Family Dwelling Revenues |
| 523 | Revenues from Public Authorities |
| 524 | Revenues from Other Systems |
| 525 | Interdepartmental Revenues |

B) Other Sewer Revenues

|  |  |
| --- | --- |
| 530 | Guaranteed Revenues |
| 531 | Sale of Sludge |
| 532 | Forfeited Discounts |
| 534 | Rents from Sewer Property |
| 535 | Interdepartmental Rents |
| 536 | Other Sewer Revenues |

C) Reclaimed Water Sales

|  |  |
| --- | --- |
| 540 | Flat Rate Reuse Revenues |
| 540.1 | Residential Reuse Revenues |
| 540.2 | Commercial Reuse Revenues |
| 540.3 | Industrial Reuse Revenues |
| 540.4 | Reuse Revenues from Public Authorities |
| 540.5 | Other Revenues |
| 541 | Measured Reuse Revenues |
| 541.1 | Residential Reuse Revenues |
| 541.2 | Commercial Reuse Revenues |
| 541.3 | Industrial Reuse Revenues |
| 541.4 | Reuse Revenues from Public Utilities |
| 544 | Reuse Revenues from Other Systems |

8) Sewer Operation and Maintenance Expense Accounts

|  |  |
| --- | --- |
| 701 | Salaries and wages – Employees |
| 703 | Salaries and wages – Officers, Directors and Majority Stockholders |
| 704 | Employee Pensions and Benefits |
| 710 | Purchased Sewage Treatment |
| 711 | Sludge Removal Expense |
| 715 | Purchased Power |
| 716 | Fuel for Power Production |
| 718 | Chemicals |
| 720 | Materials and Supplies |
| 731 | Contractual Services – Engineering |
| 732 | Contractual Services – Accounting |
| 733 | Contractual Services – Legal |
| 734 | Contractual Services – Management Fees |
| 735 | Contractual Services – Testing |
| 736 | Contractual Services – Other |
| 741 | Rental of Building/Real Property |
| 742 | Rental of Equipment |
| 750 | Transportation Expense |
| 756 | Insurance – Vehicle |
| 757 | Insurance – General Liability |
| 758 | Insurance – Workman's Compensation |
| 759 | Insurance – Other |
| 760 | Advertising Expense |
| 766 | Regulatory Commission Expenses – Amortization of Rate Case Expense |
| 767 | Regulatory Commission Expenses – Other |
| 770 | Bad Debt – Expense |
| 775 | Miscellaneous Expenses |

b) Class B utilities shall maintain the accounts listed in subsections (b)(1) through (b)(8) of this Section.

1) Utility Operating Accounts

 Account No.

|  |  |
| --- | --- |
| 400 | Operating Revenues |
| 401 | Operating Expenses |
| 403 | Depreciation Expenses |
| 406 | Amortization of Utility Plant Acquisition Adjustments |
| 407 | Amortization Expense |
| 407.1 | Amortization of Limited Term Plant |
| 407.2 | Amortization of Property Losses |
| 407.3 | Amortization of Other Utility Plant |
| 407.4 | Amortization of Regulatory Assets |
| 407.5 | Amortization of Regulatory Liabilities |
| 408 | Taxes Other Than Income |
| 409 | Income Taxes |
| 410 | Provision for Deferred Income Taxes |
| 411 | Provision for Deferred Income Taxes – Credit |
| 412 | Investment Tax Credits |
| 413 | Income From Utility Plant Leased to Others |
| 414 | Gains (Losses) From Disposition of Utility Property |

2) Other Income and Deductions

|  |  |
| --- | --- |
| 415 | Revenues from Merchandising, Jobbing and Contract Work |
| 416 | Costs and Expenses of Merchandising, Jobbing and Contract Work |
| 419 | Interest and Dividend Income |
| 420 | Allowance for Funds Used During Construction |
| 421 | Nonutility Income |
| 426 | Miscellaneous Nonutility Expenses |

3) Taxes Applicable to Other Income and Deductions

|  |  |
| --- | --- |
| 408 | Taxes Other Than Income |
| 409 | Income Taxes |
| 410 | Provision for Deferred Income Taxes |
| 411 | Provision for Deferred Income Taxes – Credit |
| 412 | Investment Tax Credits |

4) Interest Expense

|  |  |
| --- | --- |
| 427 | Interest Expense |
| 428 | Amortization of Debt Discount and Expense |
| 429 | Amortization of Premium on Debt |

5) Extraordinary Items

|  |  |
| --- | --- |
| 433 | Extraordinary Income |
| 434 | Extraordinary Deduction |
| 409.30 | Income Taxes, Extraordinary Items |

6) Retained Earnings Accounts

|  |  |
| --- | --- |
| 435 | Balance Transferred From Income |
| 436 | Appropriations of Retained Earnings |
| 437 | Dividends Declared – Preferred Stock |
| 438 | Dividends Declared – Common Stock |
| 439 | Adjustments to Retained Earnings |

7) Sewer Operation Revenue Accounts

A) Sewer Revenue

|  |  |
| --- | --- |
| 521 | Flat Rate Revenue – General Customers |
| 522 | Measured Revenues – General Customers |
| 523 | Revenues from Public Authorities |
| 524 | Revenues from Other Systems |
| 525 | Interdepartmental Revenues |

B) Other Sewer Revenues

|  |  |
| --- | --- |
| 530 | Guaranteed Revenues |
| 531 | Sale of Sludge |
| 532 | Forfeited Discounts |
| 534 | Rents and Sewer Property |
| 535 | Interdepartmental Rents |
| 536 | Other Sewer Revenues |

C) Reclaimed Water Sales

|  |  |
| --- | --- |
| 540 | Flat Rate Reuse Revenues |
| 541 | Measured Reuse Revenues |
| 544 | Reuse Revenues from Other Systems |

8) Sewer Operation and Maintenance Expense Accounts

|  |  |
| --- | --- |
| 701 | Salaries and Wages |
| 704 | Employee Pensions and Benefits |
| 710 | Purchased Sewage Treatment |
| 711 | Sludge Removal Expense |
| 715 | Purchased Power |
| 716 | Fuel for Power Production |
| 718 | Chemicals |
| 720 | Materials and Supplies |
| 731 | Contractual Services |
| 741 | Rental of Building/Real Property |
| 742 | Rental of Equipment |
| 750 | Transportation Expense |
| 756 | Insurance |
| 760 | Advertising Expense |
| 766 | Regulatory Commission Expense |
| 770 | Bad Debt Expense |
| 775 | Miscellaneous Expenses |

(Source: Amended at 22 Ill. Reg. 11722, effective July 1, 1998)