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(2) Unclaimed refunds for telecommunications services when not subject to escheats;

(3) Charges (penalties) imposed by the company for customer checks returned for non-payment;

(4) Discounts allowed customers for prompt payment;

(5) Late-payment charges;

(6) Revenue from private mobile telephone services which do not have access to the public switched network; and

(7) Other incidental revenue not provided for elsewhere in other Revenue accounts.

(k) Any definitely known amounts of losses of revenue collections due to fire or theft, at customers' coin-box stations, at public or semipublic telephone stations, in the possession of collectors en route to collection offices, on hand at collection offices, and between collection offices and banks shall be charged to Account 6720, General and Administrative.

[69 FR 53650, Sept. 2, 2004]

§ 32.5230 Directory revenue.

This account shall include revenue derived from alphabetical and classified sections of directories and shall also include fees paid by other entities for the right to publish the company's directories. Items to be included are:

(a) All revenue derived from the classified section of the directories;

(b) Revenue from the sale of new telephone directories whether they are the company's own directories or directories purchased from others. This shall also include revenue from the sale of specially bound telephone directories and special telephone directory covers;

(c) Amounts charged for additional and boldface listings, marginal displays, inserts, and other advertisements in the alphabetical section of the company's telephone directories; and

(d) Charges for unlisted and non-published telephone numbers.

[69 FR 44607, July 27, 2004]

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§ 32.5280 Nonregulated operating revenue.

(a) This account shall include revenues derived from a nonregulated activity involving the common or joint use of assets or resources in the provision of regulated and nonregulated products or services.

(b) This account shall be debited and regulated revenue accounts shall be credited at tariffed rates when tariffed services are provided to nonregulated activities that are accounted for as prescribed in § 32.23(c) of this subpart.

(c) Separate subsidiary record categories shall be maintained for two groups of nonregulated revenue as follows: one subsidiary record for all revenues derived from regulated services treated as nonregulated for federal accounting purposes pursuant to Commission order and the second for all other revenues derived from a nonregulated activity as set forth in paragraph (a) of this section.

[53 FR 49322, Dec. 7, 1988, as amended at 64 FR 50008, Sept. 15, 1999; 67 FR 5694, Feb. 6, 2002]

§ 32.5300 Uncollectible revenue.

This account shall be charged with amounts concurrently credited to Account 1170, Receivables.

[67 FR 5694, Feb. 6, 2002]

Subpart E—Instructions for Expense Accounts

§ 32.5999 General.

(a) *Structure of the expense accounts.*
(1) The expense section of the system of accounts shall be organized by expense group summary account, and subsidiary record category (if required).

(2) The expense section of this system of accounts shall be comprised of four major expense groups—Plant Specific Operations, Plant Nonspecific Operations, Customer Operations and Corporate Operations. Expenses to be recorded in Plant Specific and Plant Nonspecific Operations Expense Groups generally reflect cost associated with the various kinds of equipment identified in the plant asset accounts. Expenses to be recorded in the Customer Operations and Corporate Operations

accounts reflect the costs of, or are associated with, functions performed by people, irrespective of the organization in which any particular function is performed.

(3) Accounts shall be maintained as prescribed in this section subject to the conditions described in §32.13 in subpart B. Subsidiary record categories may be required below the account level by this system of accounts or by Commission order.

(b) *Plant Specific Operations Expense.*

(1) The Plant Specific Operations Expense Accounts, 6110 through 6441, are used to record costs related to specific kinds of telecommunications plant.

(2) The Plant Specific Operations Expense accounts predominantly mirror the telecommunications plant in service detail accounts and are numbered consistently with them; the first digit of the expense account being six (6) and the remaining digits being the same as the last three numbers of the related plant account. In classifying Plant Specific Operations expenses, the text of the corresponding plant account should be consulted to ensure appropriateness.

(3) The Plant Specific Operations Expense accounts shall include the costs of inspecting, testing (except as specified in Account 6533, Testing Expense) and reporting on the condition of telecommunications plant to determine the need for repairs, replacements, rearrangements and changes; performing routine work to prevent trouble (except as specified in Account 6533), replacing items of plant other than retirement units; rearranging and changing the location of plant not retired; repairing material for reuse; restoring the condition of plant damaged by storms, floods, fire or other casualties (other than the cost of replacing retirement units); inspecting after repairs have been made; and receiving training to perform these kinds of work. Also included are the costs of direct supervision (immediate or first-level) and office support of this work.

(4) In addition to the activities specified in paragraph (b)(3) of this section, the appropriate Plant Specific Operations Expense accounts shall include the cost of personnel whose principal

job is the operation of plant equipment, such as general purpose computer operators, aircraft pilots, chauffeurs and shuttle bus drivers. However, when the operation of equipment is performed as part of other identifiable functions (such as the use of office equipment, capital tools or motor vehicles), the operators' cost shall be charged to accounts appropriate for those functions. (For costs of operator services personnel, see Accounts 6621, Call completion services, and 6622, Number services, and for costs of test board personnel see Account 6533.)

(c) *Plant nonspecific operations expense.* The Plant Nonspecific Operations Expense accounts shall include expenses related to property held for future telecommunications use, provisioning expenses, network operations expenses, and depreciation and amortization expenses. Accounts in this group (except for Account 6540, Access expense, and Accounts 6560 through 6565) shall include the costs of performing activities described in narratives for individual accounts. These costs shall also include the costs of supervision and office support of these activities.

(d) *Customer Operations Expense.* The Customer Operations Expense accounts shall include the cost of performing customer related marketing and services activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.

(e) *Corporate Operations Expense.* The Corporate Operations Expense accounts shall include the costs of performing executive and planning activities and general and administrative activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.

(f) *Reimbursements.* Reimbursements of actual costs incurred in connection with joint operations or projects repairing plant due to damages by others, and obligations to make changes in telecommunications plant (such as highway relocations), shall be credited to the accounts originally charged.

(g) Expense accounts to be maintained.

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| Account title | Class A account | Class B account |
|--|--------------------|--------------------|
| Income Statement Accounts | | |
| Plant specific operations expense: | | |
| Network support expense | | 6110 |
| Motor vehicle expense | 6112 | |
| Aircraft expense | 6113 | |
| Tools and other work equipment expense | 6114 | |
| General support expenses | | 6120 |
| Land and building expenses | 6121 | |
| Furniture and artworks expense | 6122 | |
| Office equipment expense | 6123 | |
| General purpose computers expense | 6124 | |
| Central office switching expense | | 6210 |
| Non-digital switching expense | 6211 | |
| Digital electronic switching expense | 6212 | |
| Operators system expense | 6220 | 6220 |
| Central office transmission expenses | | 6230 |
| Radio systems expense | 6231 | |
| Circuit equipment expense | 6232 | |
| Information origination/termination expense | | 6310 |
| Station apparatus expense | 6311 | |
| Large private branch exchange expense | 6341 | |
| Public telephone terminal equipment expense | 6351 | |
| Other terminal equipment expense | 6362 | |
| Cable and wire facilities expenses | | 6410 |
| Poles expense | 6411 | |
| Aerial cable expense | 6421 | |
| Underground cable expense | 6422 | |
| Buried cable expense | 6423 | |
| Submarine and deep sea cable expense | 6424 | |
| Intrabuilding network cable expense | 6426 | |
| Aerial wire expense | 6431 | |
| Conduit systems expense | 6441 | |
| Plant nonspecific operations expense: | | |
| Other property plant and equipment expenses | | 6510 |
| Property held for future telecommunications use expense | 6511 | |
| Provisioning expense | 6512 | |
| Network operations expenses | | 6530 |
| Power expense | 6531 | |
| Network administration expense | 6532 | |
| Testing expense | 6533 | |
| Plant operations administration expense | 6534 | |
| Engineering expense | 6535 | |
| Access expense | 6540 | 6540 |
| Depreciation and amortization expenses | | 6560 |
| Depreciation expense—telecommunications plant in service | 6561 | |
| Depreciation expense—property held for future telecommunications use | 6562 | |
| Amortization expense—tangible | 6563 | |
| Amortization expense—intangible | 6564 | |
| Amortization expense—other | 6565 | |
| Customer operations expense: | | |
| Marketing | | 6610 |
| Product management and sales | 6611 | |
| Product advertising | 6613 | |
| Services | | 6620 |
| Call completion services | 6621 | |
| Number services | 6622 | |
| Customer services | 6623 | |
| Corporate operations expense: | | |
| General and administrative | 6720 | 6720 |
| Provision for uncollectible notes receivable | 6790 | 6790 |

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 7580, Mar. 12, 1987; 64 FR 50008, Sept. 15, 1999; 65 FR 16335, Mar. 28, 2000; 67 FR 5694, Feb. 6, 2002; 69 FR 53651, Sept. 2, 2004]

§ 32.6110 Network support expenses.

(a) Class B telephone companies shall use this account for expenses of the

type and character required of Class A companies in Accounts 6112 through 6114.