State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: SEPTEMBER 18, 2003

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (GARDNER, KENNY)
DIVISION OF AUDITING & SAFETY (MILLS)
DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (LEE)
OFFICE OF THE GENERAL COUNSEL (JAEGER)

RE: DOCKET NO. 030222-GU - REQUEST FOR APPROVAL OF CHANGE IN DEPRECIATION RATES TO BE IMPLEMENTED AS OF 10/1/03, BY CITY GAS COMPANY OF FLORIDA.

AGENDA: 09/30/03 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\030222.RCM

CASE BACKGROUND

Rule 25-7.045, Florida Administrative Code (F.A.C.), requires gas utilities to file comprehensive depreciation studies at least once every five years. On March 4, 2003, City Gas Company of Florida (City Gas or company) filed its regular depreciation study in accordance with this rule. Staff has completed its review and presents its recommendation herein.

The Commission has jurisdiction in this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the current depreciation rates of City Gas be changed?

RECOMMENDATION: Yes. A review of the company's current capital recovery position indicates the need to revise depreciation rates. (LEE)

STAFF ANALYSIS: The last comprehensive depreciation represcription for City Gas was made in 1999. This current study is in keeping with Rule 25-7.045, F.A.C., which requires gas utilities to file a comprehensive depreciation study at least once every five years from the submission date of the previously filed study. A review of the company's activity data indicates the need to revise depreciation rates.

Since the company's 1999 study, Phase 1 of the East/West pipeline has been completed. Two customers, Florida Crystals and Wackenhut Prison, are currently being served by the new pipeline with several other parties and industrial projects under development along the pipeline route.

In 1999, City Gas acquired a 16.9-mile high pressure 4-inch lateral from Florida Gas Transmission Company. The lateral stretches from the town of Perrine south to the City of Homestead. This purchase offered new and unserved territory to the Miami division operating territory, equaling approximately 100 square miles of newly franchised growth opportunity. Customers such as Parmen Kendall Foods, Miami Dade Water and Sewer, Miami Dade Community College, various new residential projects, and the US-1 commercial corridor from S.W. 200th Street to Florida City are now available for expanded commercial account growth.

In 2002, City Gas installed a new city gate station (Palm Bay Gate) to serve an area within its territory that had previously been unserved. This was accomplished in order to meet customer requests for natural gas that encompassed several new residential housing projects, a large commercial corridor, and the Brevard Community College campus (south). Additionally, this new expansion allowed a back feed and reinforcement of the northern portion of the existing distribution piping system.

In summary, the developments discussed as well as other changes in account activity and company planning indicate the need to revise currently prescribed depreciation rates.

ISSUE 2: What should be the date of implementation for revised depreciation rates and capital recovery schedules?

RECOMMENDATION: Staff recommends approval of the company's proposed October 1, 2003, date of implementation for revised depreciation rates and recovery schedules. (LEE)

STAFF ANALYSIS: The company-proposed October 1, 2003, implementation date for revised depreciation rates and recovery schedules matches the beginning of its fiscal year. In keeping with Rule 25-7.045(6), F.A.C., all data and related calculations have been provided coinciding with the proposed date. Staff therefore recommends approval of an October 1, 2003, implementation date.

ISSUE 3: Should any corrective reserve measures be made?

RECOMMENDATION: Yes. Staff recommends the following corrective reserve measures:

Account	Book Reserve	Recommended Transfers	Restated Reserve
	($)	($)	($)
380 - Services - Other than Plastic	12,099,061	58,336	12,157,397
387 - Other Equipment	167,166	(58,336)	108,830
390 - Structures & Improvements	598,920	182,217	781,137
391.3 - Computers	1,234,790	(162,964)	1,071,826
392 - Transportation Equipment	322,938	(73,676)	249,262
393 - Stores Equipment	17,198	(7,049)	10,149
394 - Tools, Shop, Garage Equip.	211,983	54,423	266,406
395 - Laboratory Equipment	11,733	7,049	18,782
Total	14,663,789	0	14,663,789

(LEE)

STAFF ANALYSIS: As part of staff's review of the company's study, a review of the reserve position for each account was also performed. When significant surpluses and deficits exist, corrective reserve transfers between accounts should be considered. Staff believes that such deficiencies should be recovered as fast as possible, unless such recovery prevents the company from earning a fair and reasonable return on its investments. The effect of prior depreciation rates, average service lives, and net salvage projections results in surpluses and deficits which should be addressed. For this reason, staff recommends transferring these related reserve surpluses to help correct existing reserve deficiencies in the accounts as shown above.

ISSUE 4: What are the appropriate depreciation rates and recovery schedules for City Gas?

RECOMMENDATION: The staff recommended remaining lives, net salvage values, reserve positions, and resulting depreciation rates and recovery schedules are shown on Attachment A. These recommendations result in a decrease in annual depreciation expense of about $280,000, based on estimated October 1, 2003, investments and reserves as shown on Attachment B. (LEE)

STAFF ANALYSIS: Staff's recommendations are the result of a comprehensive review of City Gas's submitted data and information. The investments and reserves reflect estimated amounts as of October 1, 2003, restated to reflect the corrective measures recommended in Issue 3.

The company's original proposal reflected the currently prescribed average remaining lives with net salvage values based on 1999-2003 activity. Even with retaining the current underlying average service lives, average remaining lives warrant revision to recognize activity since the last review. Additionally, while recent activity can serve as an indicator of net salvage expectations, if retirement activity has been minimal, the indications cannot be considered reliable.

This filing was essentially a staff-assisted study. The company provided the necessary data for staff to develop an average age for each account's surviving investment estimated as of October 1, 2003. Staff and the company then worked together in developing appropriate life and salvage values.

As mentioned previously, since the company's 1999 study, Phase 1 of the East/West pipeline has been completed, approximately 50 miles, and has begun serving two customers, Florida Crystals and Wackenhut Prison. According to the company, contracts have been signed with three other parties and several more industrial projects are under development along the pipeline route. The company originally recorded the pipeline as transmission plant pursuant to the Department of Transportation's operating pressure designation for safety requirements and the transportation of gas. However, due to the current operating use and future plans to lower the existing pressure, City Gas believes the investment is more appropriately classified as distribution plant.

In 1996, the City Gas plant accounting department was transferred to New Jersey as part of NUI Utilities Inc.'s (NUI) decision to centralize plant accounting for all divisions. In 1998, NUI converted to a new fixed asset system. During the 1999-2000 period, City Gas discovered that its manual records did not match the data in its fixed asset system. Among other things, City Gas discovered that no detailed transactions for 1996-1997 had been loaded in the new system.

In resolving this problem and establishing continuing property records in compliance with regulatory requirements, City Gas management decided to move the plant accounting function back to Florida and reload all the capital asset data. The data used to reload City Gas assets were compiled from manual spreadsheets and original invoices maintained by the City Gas Plant Department. To streamline the process, surviving balances were loaded as a beginning point rather than all the historical annual additions, retirements, and transfer activity. All assets were input with their original acquisition date, accumulated depreciation and detailed descriptions, which included the type of asset, size of asset, quantity, FERC account code, and depreciation rate and life. Since the reload, City Gas continues to improve and automate the plant accounting process. The fixed asset system has undergone many customizations to improve the accuracy and reliability of the data.

As a result of the review and analytical process, City Gas has agreed with staff concerning life and salvage values for each account. The recommended changes in depreciation rates can be attributed to the following factors: updated ages to reflect activity since the last depreciation review, results of modifications and correcting the fixed asset system, and changes in the reserve position. The accounts with a substantial change in depreciation expense are outlined below.

Distribution Assets

Mains and Services (Accounts 376 and 380)

Mains and services comprise about 87-percent of the investment in the distribution plant function. The investment in the steel mains account has experienced a 44-percent growth since the last study review; plastic mains has experienced a 41-percent growth. The growth in the steel mains account is due to the East/West

pipeline completed in 2001 and acquisition of the Homestead lateral in 1999. The plastic mains account growth reflects the significant expansion in Vero Beach, Port St. Lucie, and Brevard County.

For services, the investment in steel services has remained basically static since the last study. On the other hand, the investment in plastic services has experienced a 43-percent growth. This reflects the fact that the majority of new service installations are plastic.

Mains and service lines are generally abandoned in place upon retirement. This involves travel time for the crew, digging down to the main or service, cutting and capping, refilling the hole, and restoring the roadway. Restoring the roadway can become significant if the lines are under pavement. Surface restoration normally occurs at two locations for each service line retired: one at the point of the service riser, and the other at the property line or at the connection to the main. The galvanic action of dissimilar metals, such as a galvanized steel service line running off a cast iron main, requires that the line be cut at the main rather than the property line. Under these circumstances, paving restoration is required.

The significant growth and additions to these accounts translate into a younger average age for the related investments, and a longer remaining life than last prescribed. The currently prescribed net salvage values remain reasonable and warrant no revision.

Measuring and Regulating Station Equipment (Account 379)

This account's investment reflects the addition of the new city gate station (Palm Bay Gate) in 2002 to meet customer growth. The 22-percent investment growth is reflected in the resulting average remaining life.

Meters and Regulators (Accounts 381 and 383)

Meters are used to measure gas consumption at the customer's premise; regulators are used to regulate the gas pressure at the customer's premise. Pursuant to Rule 25-7.0461(6), F.A.C., the accounting treatment for meters and regulators is cradle-to-grave. At the time a meter or regulator is purchased, the cost is capitalized. A retirement does not occur until final disposition.

All costs associated with change-outs and refurbishment are expensed.

Since the last depreciation review, the company has decided to discontinue refurbishing the majority of its residential and small commercial meters and regulators. City Gas found that the cost of refurbishment exceeds the replacement cost of a new meter or regulator, making refurbishment no longer cost-effective. Accordingly, when meters and regulators are retired, they are sold as scrap and replacement meters and regulators are purchased as needed.

In 2002, City Gas sold its meters and regulators to Fleet Bank as collateral to secure a low interest loan. The meters were then leased back to the company under an eleven-year capital lease agreement. Under the lease arrangement, City Gas is responsible for all testing and replacement. It is unclear what impact the capital lease agreement or the new policy regarding refurbishment will have on the lives and salvage values of these accounts. For this reason, maintaining the currently prescribed average service lives and net salvage values appears to be the more conservative action to take until the impact is more discernable.

Meter and Regulator Installations (Accounts 382 and 384)

When a meter or regulator is placed in a location which has never before had service, or when an additional meter or regulator is added to an old location (increasing the number at the location), the installation costs are capitalized. According to the company, the costs of installation are not separated between the installation of the meter and the installation of the regulator. Based on analyzing the costs of a meter and regulator set, identifying the individual components, and then estimating the amount of labor required to install the components, City Gas allocates two-thirds of the total set installation cost to the meter and one-third of the cost to the regulator.

Meter and regulator installations are retired when the meter or regulator is removed from the location without a replacement, or when service through the meter or regulator is cut off. In other words, the life of these installations should be very similar to the life of services. Over the past couple of years City Gas has seen a high level of attrition in its residential and small commercial class. This increased customer turn-over has had an

impact on the meter and regulator installation accounts as seen by the increase in retirement activity.

The recommended average remaining lives are the result of updating each account's age to reflect activity since the last represcription. The recommended negative ten-percent net salvage value recognizes labor associated with the removal of these installations.

General Plant

During the course of staff's review, it was discovered that adjustments were needed to the company's continuing property records for certain accounts. Specifically, some items of plant had been classified in the wrong account, thus requiring correction. The investment and reserve positions shown on Attachment B reflect these corrections and the average age of the affected surviving investments have been recalculated.

Furniture (Account 391.1)

This account has experienced a fifteen-percent growth in investment since the company's 1999 depreciation review. This growth is due to the relocation of a customer service call center to Florida. The call center will handle calls for New Jersey and Florida. The relocation necessitated the purchase of additional furniture and communications equipment.

The company is in the process of completing a physical inventory for this account. As part of the inventory process, City Gas is bar coding the equipment to track on the continuing property record system.

Office Machines (Account 391.2)

In the process of reviewing the company's continuing property records, staff determined that about 40-percent of this account's investment represented computer equipment. The investment and reserve positions shown on Attachment B reflect the corrective reclassifications. The recalculated average age of the surviving investment is 20.9 years, indicating a longer average service life than currently prescribed. Considering there are no near-term retirement plans, an average service life of 25 years with a resulting 8.2 year average remaining life is recommended.

Recognizing the average age, it is not likely any salvage will be realized upon retirement. A zero net salvage value is recommended as being more in line with expected activity of this account than the currently prescribed 2-percent.

Computers (Account 391.3)

In 2001, the company entered into an operating lease agreement to upgrade its computers and software. As a result, all of the old equipment ($1.2 million) was retired. The remaining investment is associated with servers and wiring. According to the company, the lease agreement will terminate in 2004, at which time City Gas will return to purchasing its computer equipment.

The average remaining life for computers recognizes the reclassification of investment from the office machines account.

Transportation Equipment (Account 392)

In 1996, the company entered into a capital lease agreement with Nations Bank for the purchase of all its vehicles. Currently, only 14-percent of the assets in this account are company owned. Maintenance expenses will drive the retirement of these vehicles.

Communications Equipment (Account 397)

This account has experienced a 46-percent growth in investment since the 1999 study. As part of the customer service call center relocation in 2001, NUI initiated a project to redesign its Interactive Voice Response (IVR) system by upgrading its software and hardware to current technology. As a part of the upgrade, the company designed new pathing and scripting specifications to support current and future customer service goals. The IVR, once upgraded, will also allow a "seasonal" increase in coverage and the company can prearrange staff for peak consideration. This change was implemented as a cost savings measure. It should result in more calls being completed within the IVR rather than the need for intervention of a more expensive customer service representative. The recommended average remaining life reflects the growth in the account and recognizes that this equipment is subject to technological impacts.

ISSUE 5: Should the current amortization of investment tax credits (ITCs) and the flowback of excess deferred income taxes be revised to reflect the approved depreciation rates and recovery schedules?

RECOMMENDATION: Yes. The current amortization of ITCs and the flowback of excess deferred income taxes (EDIT) should be revised to match the actual recovery periods for the related property. The utility should file detailed calculations of the revised ITC amortization and flowback of EDIT at the same time it files its surveillance report covering the period ending September 30, 2004. (KENNY)

STAFF ANALYSIS: In earlier issues, staff recommends revisions to the company's remaining lives, to be effective October 1, 2003. Revising a utility's book depreciation lives generally results in a change in its rate of ITC amortization and flowback of EDIT in order to comply with the normalization requirements of the Internal Revenue Code (IRC) and underlying Regulations (REGs) found in Sections 46, 167, and 168 and 1.46, 1.67, and 1.68, respectively.

Section 46(f)(6), IRC, states that the amortization of ITCs should be determined by the period of time actually used in computing depreciation expense for rate making purposes and on the regulated books of the utility. Since staff is recommending a change in remaining lives, it is also important to change the amortization of ITCs to avoid violation of the provisions of sections 46 and 1.46, IRC and REGs, respectively.

Section 203(3) of the Tax Reform Act of 1986 (the Act) prohibits rapid flowback of depreciation related (protected) EDIT. Further, Rule 25-14.013, Accounting for Deferred Income Taxes Under SFAS 109, F.A.C., generally prohibits EDIT from being written off any faster than allowed under the Act. The Act, SFAS 109, and Rule 25-14.013, F.A.C. regulate the flowback of EDIT. Therefore, staff recommends that the flowback of EDIT be adjusted to comply with the Act, SFAS 109, and Rule 25-14.013, F.A.C..

Staff, Internal Revenue Service, and independent outside auditors look to a company's books and records and at the orders and rules of the jurisdictional regulatory authorities to determine if the books and records are maintained in the appropriate manner and to determine the intent of the regulatory bodies in regard to normalization. Therefore, staff recommends that the current

amortization of ITCs and the flowback of EDIT be revised to reflect the approved remaining lives. In order for there to be a clear audit trail, a prudent utility will revise ITCs and EDIT amortization and produce work papers to show how the revisions were made. The utility should file detailed calculations of the revised ITC amortization and flowback of EDIT at the same time it files its surveillance report covering the period ending September 30, 2004.

ISSUE 6: Should this docket be closed?

RECOMMENDATION: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (JAEGER)

STAFF ANALYSIS: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

Attachment A

CITY GAS COMPANY OF FLORIDA

2003 STUDY

COMPARISON OF RATES AND COMPONENTS

ACCOUNT	CURRENT AVERAGE REMAINING LIFE (YRS.)	CURRENT NET SALVAGE (%)	CURRENT REMAINING LIFE RATE (%)	COMPANY REVISED PROPOSAL AVERAGE REMAINING LIFE (YRS.)	COMPANY REVISED PROPOSAL NET SALVAGE (%)	COMPANY REVISED PROPOSAL 10/1/03 ESTIMATED RESERVE (%)		COMPANY REVISED PROPOSAL REMAINING LIFE RATE (%)	STAFF RECOMMENDED AVERAGE REMAINING LIFE (YRS.)	STAFF RECOMMENDED NET SALVAGE (%)	STAFF RECOMMENDED 10/1/03 ESTIMATED RESERVE (%)		STAFF RECOMMENDED REMAINING LIFE RATE (%)
DISTRIBUTION ASSETS													
375.0 Structures & Improvements	30.0	0.0	2.6	27.0	0.0	39.47		2.2	27.0	0.0	39.47		2.2
376.0 Mains - Other Than Plastic	24.0	(20.0)	2.8	26.0	(20.0)	47.22		2.8	26.0	(20.0)	47.22		2.8
376.0 Mains - Plastic	33.0	(20.0)	3.1	32.0	(20.0)	26.73		2.9	32.0	(20.0)	26.73		2.9
379.0 M&R Equipment - City Gate	25.0	(5.0)	3.5	26.0	(5.0)	28.99		2.9	26.0	(5.0)	28.99		2.9
380.0 Services - Other Than Plastic	13.7	(80.0)	7.4	11.8	(80.0)	95.72		7.1	11.8	(80.0)	95.72		7.1
380.0 Services - Plastic	28.0	(35.0)	4.1	27.0	(35.0)	31.10		3.8	27.0	(35.0)	31.10		3.8
381.0 Meters	15.8	0.0	4.0	14.5	0.0	38.82		4.2	14.5	0.0	38.82		4.2
382.0 Meter Installations	23.0	(5.0)	3.1	21.0	(10.0)	37.17		3.5	21.0	(10.0)	37.17		3.5
383.0 House Regulators	15.1	0.0	4.0	11.7	0.0	48.54	*	4.4	11.7	0.0	48.54	*	4.4
384.0 Regulator Installations	23.0	(5.0)	3.2	20.0	(10.0)	35.54		3.7	20.0	(10.0)	35.54		3.7
385.0 Industrial M&R Station Equipment	24.0	0.0	3.3	21.0	0.0	33.67		3.2	21.0	0.0	33.67		3.2
387.0 Other Equipment	9.5	0.0	3.3	10.4	0.0	69.84	*	2.9	10.4	0.0	69.84	*	2.9
GENERAL PLANT													
390.0 Structures & Improvements	33.0	0.0	2.5	27.0	0.0	32.50	*	2.5	27.0	0.0	32.50	*	2.5
391.1 Office Furniture	10.2	0.0	5.7	8.3	0.0	64.14		4.3	8.3	0.0	64.14		4.3
391.2 Office Machines & Equipment	3.3	2.0	8.2	8.2	0.0	84.25		1.9	8.2	0.0	84.25		1.9
391.3 Computers	2.2	0.0	16.7	2.6	0.0	56.58	*	16.7	2.6	0.0	56.58	*	16.7
392.0 Transportation Equip. - Combined	4.9	0.0	8.3	7.2	0.0	80.26	*	2.7	7.2	0.0	80.26	*	2.7
393.0 Stores Equipment	6.1	0.0	4.0	6.9	0.0	75.06	*	3.6	6.9	0.0	75.06	*	3.6
394.0 Tools, Shop, Garage Equipment	12.1	0.0	6.8	8.5	0.0	43.05	*	6.7	8.5	0.0	43.05	*	6.7
395.0 Laboratory Equipment	10.0	0.0	9.5	4.6	0.0	81.60	*	4.0	4.6	0.0	81.60	*	4.0
397.0 Communication Equipment	8.3	0.0	8.3	6.2	0.0	57.07		6.9	6.2	0.0	57.07		6.9
398.0 Misc. Equipment	11.1	0.0	6.5	11.3	0.0	24.59		6.7	11.3	0.0	24.59		6.7

*Denotes restated reserve after corrective transfers

Attachment B

CITY GAS COMPANY OF FLORIDA
2003 STUDY
COMPARISON OF EXPENSES

ACCOUNT	10/01/03 ESTIMATED INVESTMENT ($)	10/01/03 ESTIMATED RESERVE ($)		CURRENT RATE (%)	CURRENT EXPENSES ($)	COMPANY REVISED RATE (%)	COMPANY REVISED EXPENSES ($)	COMPANY REVISED CHANGE IN EXPENSES ($)	STAFF RECOMMENDED RATE (%)	STAFF RECOMMENDED EXPENSES ($)	STAFF RECOMMENDED CHANGE IN EXPENSES ($)
DISTRIBUTION ASSETS											
375.0 Structures & Improvements	556,250	219,530		2.6	14,463	2.2	12,238	(2,225)	2.2	12,238	(2,225)
376.0 Mains - Other Than Plastic	75,906,429	35,843,172		2.8	2,125,380	2.8	2,125,380	0	2.8	2,125,380	0
376.0 Mains - Plastic	42,967,953	11,486,316		3.1	1,332,007	2.9	1,246,071	(85,936)	2.9	1,246,071	(85,936)
379.0 M&R Equipment - City Gate	5,346,729	1,550,035		3.5	187,136	2.9	155,055	(32,081)	2.9	155,055	(32,081)
380.0 Services - Other Than Plastic	12,701,424	12,157,397	*	7.4	939,905	7.1	901,801	(38,104)	7.1	901,801	(38,104)
380.0 Services - Plastic	26,259,202	8,167,027		4.1	1,076,627	3.8	997,850	(78,777)	3.8	997,850	(78,777)
381.0 Meters	8,864,722	3,441,100		4.0	354,589	4.2	372,318	17,729	4.2	372,318	17,729
382 0 Meter Installations	2,769,460	1,029,508		3.1	85,853	3.5	96,931	11,078	3.5	96,931	11,078
383.0 House Regulators	2,025,618	983,231		4.0	81,025	4.4	89,127	8,102	4.4	89,127	8,102
384.0 Regulator Installations	1,212,061	430,741		3.2	38,786	3.7	44,846	6,060	3.7	44,846	6,060
385.0 Industrial M&R Station Equipment	2,731,334	919,623		3.3	90,134	3.2	87,403	(2,731)	3.2	87,403	(2,731)
387.0 Other Equipment	155,827	108,830	*	3.3	5,142	2.9	4,519	(623)	2.9	4,519	(623)
TOTAL DISTRIBUTION	181,497,009	76,336,510			6,331,047		6,133,539	(197,508)		6,133,539	(197,508)
GENERAL PLANT											
390.0 Structures & Improvements	2,403,498	781,137	*	2.5	60,087	2.5	60,087	0	2.5	60,087	0
391.1 Office Furniture	937,779	601,445		5.7	53,453	4.3	40,324	(13,129)	4.3	40,324	(13,129)
391.2 Office Machines & Equipment	503,923	424,541		8.2	41,322	1.9	9,575	(31,747)	1.9	9,575	(31,747)
391.3 Computers	1,894,355	1,071,826	*	16.7	316,357	16.7	316,357	0	16.7	316,357	0
392.0 Transportation Equip. - Combined	310,571	249,262	*	8.3	25,777	2.7	8,385	(17,392)	2.7	8,385	(17,392)
393.0 Stores Equipment	13,522	10,149	*	4.0	541	3.6	487	(54)	3.6	487	(54)
394.0 Tools, Shop, Garage Equipment	618,829	266,406	*	6.8	42,080	6.7	41,462	(618)	6.7	41,462	(618)
395.0 Laboratory Equipment	23,017	18,782	*	9.5	2,187	4.0	921	(1,266)	4.0	921	(1,266)
397.0 Communication Equipment	1,325,266	756,316		8.3	109,997	6.9	91,443	(18,554)	6.9	91,443	(18,554)
398.0 Misc. Equipment	240,670	59,177		6.5	15,644	6.7	16,125	481	6.7	16,125	481
TOTAL GENERAL PLANT	8,271,430	4,239,041			667,445		585,166	(82,279)		585,166	(82,279)
GRAND TOTAL	189,768,439	80,575,551			6,998,492		6,718,705	(279,787)		6,718,705	(279,787)

* Denotes restated reserve after corrective transfers