

**UNIFORM SYSTEM OF
ACCOUNTS FOR GAS AND
ELECTRIC COMPANIES**

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Uniform System of Accounts for Gas and Electric Companies by Various

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FOR
GAS AND ELECTRIC COMPANIES

PRESCRIBED BY THE
DEPARTMENT OF PUBLIC UTILITIES
OF
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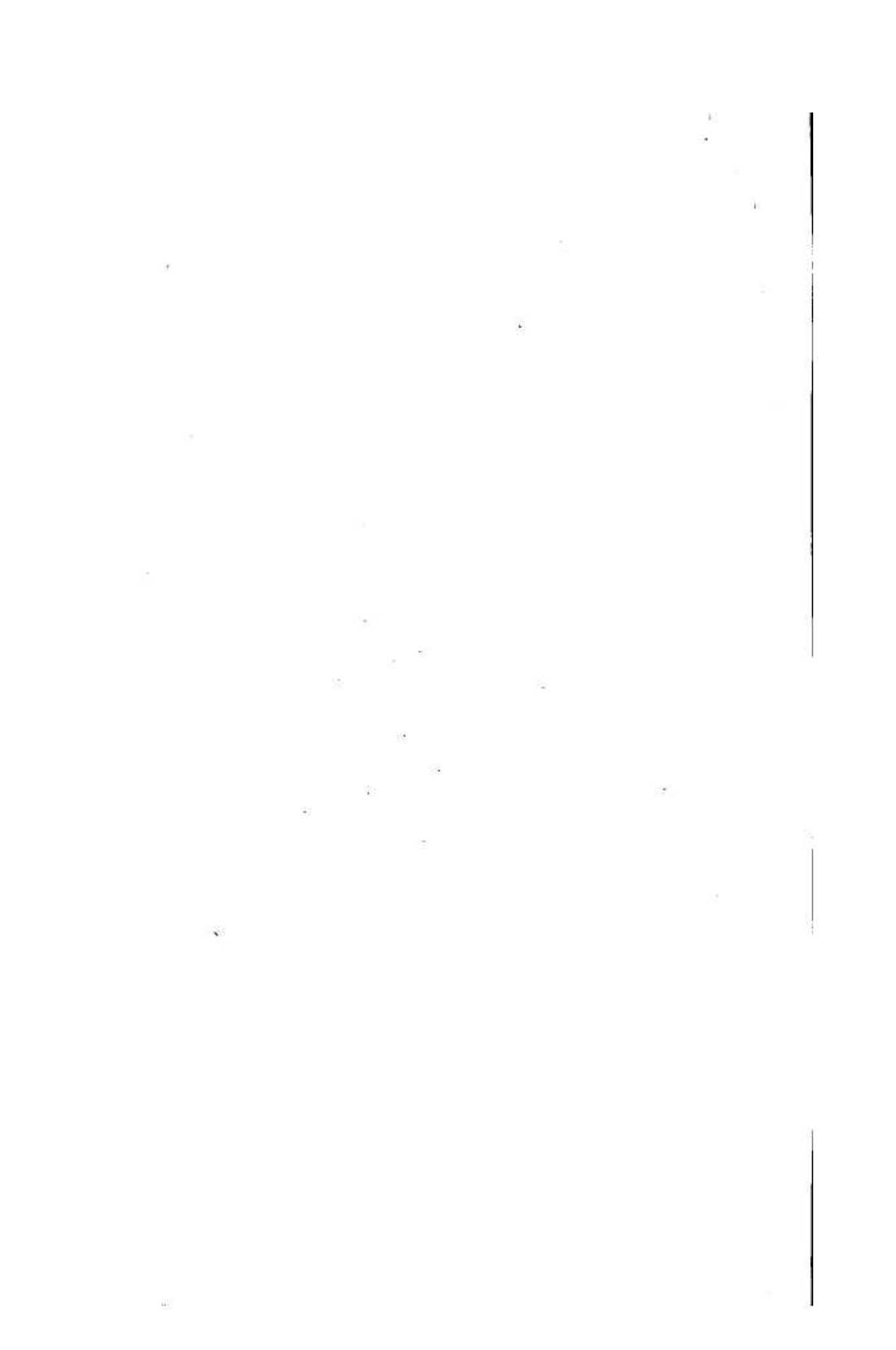
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The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES.

RECLASSIFICATION OF ACCOUNTS OF GAS AND ELECTRIC COMPANIES.

The necessity for complete and accurate information of the financial affairs and operations of gas companies was recognized by the legislative requirement for annual returns when the Board of Gas Commissioners was established in 1885. It was at once found, however, that lack of uniformity in bookkeeping reduced materially the value of the returns, and in 1886 the Board was given authority to prescribe the form in which gas companies should keep their books and accounts. This authority was extended to electric light companies in 1887. The books, accounts and annual returns adopted at that time have not been materially modified meantime. The gas and electric industries, however, have greatly expanded in the field of their activities, the amount of their business, and the engineering practices relating to the production and distribution of gas and electricity. In like degree the officers and managers have claimed that the books and accounts and accounting practices originally prescribed no longer give them the information needed for the intelligent and efficient operation of their properties. The books and accounts of the companies have, in consequence, been modified and expanded, and are no longer uniform, nor do they correspond to the items of income and expense and balance sheet still required in the annual return.

It is the purpose of this reclassification to recognize the changes which have taken place in the character of the business and in accounting practices, and to prescribe books and accounts which conform to established business needs and usages and ensure the uniformity in detail so essential to the public interest. Necessarily the accounts must recognize also the varying size of the different companies and of their operations; and it has also been deemed desirable to conform, so far as practicable, to the standard classifications