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**INSTRUCTIONS FOR FILING**

**FERC FORM NO. 73**

**OIL PIPELINE SERVICE LIFE DATA**

*The term 'Federal Energy Regulatory Commission (FERC)' refers to the FERC or its predecessor the Federal Power Commission (FPC)*

**FERC FORM NO. 73**

FEDERAL ENERGY REGULATORY COMMISSION

Washington, D. C. 20426

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(Form approved: OMB No. 1902-0019, expires 07/31/14)

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# INSTRUCTIONS FOR FILING SERVICE LIFE DATA

## GENERAL INFORMATION

### I. PURPOSE

During an investigation of an oil pipeline company's book depreciation rates, the Commission requests service life data as a part of its data request. This service life data, which may be initial data or an update to previously existing data, is collected on FERC Form No. 73. The information collected on FERC Form No. 73 is used as an input to assist the Commission in the selection of appropriate oil pipeline company service lives and book depreciation rates.

### II. WHO MUST FILE

Any oil pipeline company who is directed by the Commission to file service life data during an investigation of the appropriateness of its book depreciation rates.

### III. WHEN TO SUBMIT

Service life data is reported to the Commission by an oil pipeline company only during a depreciation rate investigation.

### IV. WHAT TO SUBMIT

The Form No. 73 requires that actuarial or simulation service life data be set forth in a standardized format.

1. If you are not submitting this report in an electronic media format, submit an original and three (3) copies of this report. An Excel spreadsheet is an acceptable format.
2. Upon request of the Commission, the company must submit such additional supporting and clarifying data and information as may be specified.

### V. WHERE TO SUBMIT

1. Submit this report to:  
Office of the Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

2. Hand deliveries can be made to:
  - Office of the Secretary
  - Federal Energy Regulatory Commission
  - Room 1A
  - 888 First Street, N.E.
  - Washington, D.C. 20426

## GENERAL INSTRUCTIONS

1. Each reporting company may file either actuarial or simulation service life data. If a respondent chooses to file actuarial data, Schedule A1 would be filed. If a respondent chooses to file simulation data, Schedule S1 would be filed. The first or initial filing of service life data by a pipeline company with the Federal Energy Regulatory Commission (whether simulation data or actuarial data) should begin with the first year of company operations or 1940 whichever is later. Subsequent filings of service life data by a respondent pipeline company may contain the transaction data only from the year of the last report to the present.
2. Report all dollar items rounded to the nearest dollar. Commas, decimal points, and special characters should not be used.
3. The “Account Number” as used in this Form No. 73 consists of the three digit account number specified in the Uniform System of Accounts with a suffix of “P” for Product Lines, “C” for Crude Lines, or some other character, specified by the Commission, to designate a system or division of the respondent company. Thus, an account number for purposes of filing the Form No. 73 consists of four characters, three digits followed by one alphabetic character.

The Commission may provide additional special instructions for filing the Form No. 73 requesting a respondent to report service life data in greater detail than specified in the Uniform System of Accounts. In such instances, the respondent will add a one letter suffix, specified by the Commission, to the account number.

- for example, a respondent may be asked to report for its Product Line “Vehicles and Other Work Equipment”, Account 165, by “Vehicles”, with an account designator, “165PV”, and “Other Work Equipment”, with an account designator, “165PE”.

## SOURCES FOR CODES USED

1. UNIFORM SYSTEM OF ACCOUNTS FOR OIL PIPELINE COMPANIES – See Part 352 – Uniform System of Accounts Prescribed for Oil Pipeline Companies, Chapter 1 – Federal Energy Regulatory Commission, Title 18, “Code of Federal Regulations”.
2. Transaction Codes – Transaction Codes are listed in the Appendix.

## SPECIFIC INSTRUCTIONS

### Service Life Data (Actuarial) Schedule A1

This schedule is sequenced by Account Number. A new page is started when a change in account occurs and the account name and account number is displayed as the top line in the body of the report.

Data for actuarial analysis of property accounts 102-186 is reported by vintage year from the date of initial operations to the present date. All activity (additions, retirements, transfers, and balances) is reported by Installation Year, Transaction Year, Transaction Code, and Ledger Value. Number of units, gross salvage, and cost of removal should be included where applicable.

Extreme care should be exercised in assigning Transaction Codes to each transaction in order that the analysis of data will produce meaningful results.

Every vintage year must begin with a Transaction Code “00”, “11”, “12”, “13”, “30”, or “51”. An entry will be made for each year following the vintage year in which some activity occurred for this account, (e.g., addition, retirement, etc.) listing the appropriate Transaction Code for the activity. Every vintage year must terminate with a Transaction Balance Code, “99”.

In reporting Installation Year, Transaction Year, and Corrected Transaction Year, no date prior to 1940 is acceptable. For a respondent’s initial report, a 1940 transaction year, “00” Transaction Code, may be used to report the net balance of property in service as of December 31, 1939. If a respondent commenced operations after 1940, in the initial filing of the Form No. 73, the respondent should report a Transaction Code “00” for the net balance of property in service as December 31 of the year preceding the year of commencement of operations. For a respondent’s Update Report, each vintage will begin with an initial balance, Transaction Code “00”, which should correspond to the ending balance, Balance Code “99”, reported on the previous filing of the Form No. 73.

Installation Year, Transaction Year, Transaction Code, and Ledger Value must be reported for each transition. Unreported fields should be left blank.

Negative numbers must not be used except when “Corrected Transaction Year” field is used. If the “Corrected Transaction Year” field is used, Units, Ledger Value, Gross Salvage Value, and Cost of Removal may be negative as necessary to make corrections.

SERVICE LIFE DATA							
		(a) Pipeline Company Name				(b) Schedule	
		XXXXXXXXXXXXXXXXXXXXXXXXXXXX				A1	
						(c) Page xxx	
		(d) From January 1, xxxx (e) to December 31, xxxx					
(f) Account Number: xxxx		(g) Account Name : XXXXXXXXXXXXXXXXXXXXXXX					
Installation Year	Transaction Year	Corrected Transaction Year	Transaction Code	Number of Units	Ledger Value	Gross Salvage	Cost of Removal
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
xxxx	xxxx	xxxx	xx	XXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX



DEFINITIONS OF ITEMS CONTAINED ON SCHEDULE A1

Schedule Reference	Item Name	Definition--Description
(a)	Pipeline Company Name	Name of pipeline filing report
(b)	Schedule ID	Form Number A1
(c)	Page Number	Sequential page numbers as needed.
(d)	Start Date	The beginning year for the service life data reported. The year will be reported as a four digit number and will be 1940 or later.
(e)	End Date	The ending year for the service life data being reported. The year will be reported as a four digit number.
(f)	FERC Account Number	Uniform System of Accounts number associated with the service life data reported on this page with appropriate suffix as specified in the general instructions.
(g)	FERC Account Name	Uniform System of Accounts name associated with the service life data reported on this page.
(h)	Installation Year	The year the property was first placed in service by the reporting carrier.
(i)	Transaction Year	The year of the particular transaction being recorded by this entry; must be equal to or greater than the installation year.
(j)	Corrected Transaction Year	For corrections of previous entries only. The year of the correction is the transaction year. This field is the year that is being corrected. Appropriate corrections (+ or -) are recorded in the units, ledger value, gross salvage, and cost of removal fields to properly correct the erroneous entry. Transaction Codes must be the same as the entry corrected.
(k)	Transaction Code	The type of transaction being recorded. (See <u>Transaction Codes in the Appendix</u> ).
(l)	Number of Units	Number of physical units associated with a transaction.
(m)	Ledger Value	Ledger value of property involved in a transaction.
(n)	Gross Salvage	The actual dollars of salvage recovered upon retirement or disposition of an asset, including insurance proceeds.
(o)	Cost of Removal	Total cost to dispose of property and to restore environment as required.

## SPECIFIC INSTRUCTIONS

### Service Life Data (Simulation) Schedule S1

This schedule is sequenced by Account Number. A new page is started when a change in account occurs and the account name and account number is displayed as the top line in the body of the report.

Data for Simulated Plant Record (SPR) analysis of oil pipeline property accounts 102-186 is reported for each year from the date of initial operation to the present date using the appropriate "Transaction Codes".

Extreme care should be exercised in assigning Transaction Codes to each transaction in order that the analysis of data will produce meaningful results.

In reporting activity for each account, a Transaction Year, Transaction Code and a Ledger Value must be reported for each transaction activity. A Transaction Year prior to 1940 is not acceptable. For a respondent's initial report, a 1940 Transaction Year, "00" Transaction Code, may be used to report the net balance of property in service as of December 31, 1939. If a respondent commenced operations after 1940, in the initial filing of the Form No. 73, the respondent should report a Transaction Code "00" for the balance of property in service as December 31 of the year preceding the year of commencement of operations. For respondent's initial report with a Transaction Year later than 1940, the net balance of property in service should be as of December 31 of the preceding year. For a respondent's Update Report, each account will begin with an initial balance, Transaction Code "00", which should correspond to the ending balance, Transaction Code "99", reported on the previous filing of the Form No. 73.

Each account must have a transaction year with a Transaction Code, "99", which must equal the balance in the FERC Form No. 6, Annual Report of Oil Pipeline Companies.

Negative numbers should not be used in any field. Each Transaction Year must have an applicable transaction installation code or transaction retirement code.

<b>SERVICE LIFE DATA</b>		
	(a) Pipeline Company Name	(b) Schedule
	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	S1
		(c) Page xxxx
(d) From January 1, xxxx to (e) December 31, xxxx		
(f) Account Number: xxxx	(g) Account Name: XXXXXXXXXXXXXXXXXXXXXXXX	
Transaction Year	Transaction Code	Ledger Value
(h)	(i)	(j)
xxxx	xx	XXXXXXXXXXXX

DEFINITIONS OF ITEMS CONTAINED ON SCHEDULE S1

<b>Schedule Reference</b>	<b>Item Name</b>	<b>Definition--Description</b>
(a)	Pipeline Company Name	Name of pipeline filing report.
(b)	Schedule ID	Form Number S1
(c)	Page Number	Sequential page numbers as needed.
(d)	Start Date	The beginning year for the service life data reported. The year will be reported, as a four digit number and will be 1940 or later.
(e)	End Date	The ending year for the service life data being reported. The year will be reported as a four digit number.
(f)	FERC Account Number	Uniform System of Accounts number associated with the service life data reported on this page with appropriate suffix as specified in the general instructions.
(g)	FERC Account Name	Uniform System of Accounts name associated with the service life data reported on this page.
(h)	Transaction Year	The year of the particular transaction being recorded by this entry; must be equal to or greater than the installation year.
(i)	Transaction Code	The type of transaction being recorded. (See <u>Transaction Codes in the Appendix</u> ).
(j)	Ledger Value	Ledger value of property involved in a transaction.

<b>Definition – This item identifies the acceptable transaction codes which are reported for each transaction.</b>		
Transaction Code	Transaction Title	Transaction Type--Description
00	Initial Balance	Installation--net balance of property in service as of December 31 of the year prior to the start date (See Definition of Items for Schedule S1 or A1)
11	New	Installation--placement of property in service. These codes distinguish the condition of the property when it is added. A vintage year must begin with one of the following codes: 00, 11, 12, 13, 30 or 51.
12	Second Hand	
13	Reconditioned (See code 65)	
30	Acquisition	Installation--property acquired from another operation carrier to be continued in the same or similar type of service. Acquisitions may occur as the result of mergers, consolidations, pooling of interests, or purchase of another company or portion thereof.
51	Transfer In	Transfer resulting in an increase of investment in an account with a concurrent decrease in another depreciable account with the company or an affiliated company. Opposite of a Transfer Out.
52	Transfer Out	Transfer--the removal of property from a depreciable account and concurrent reassignment of that property to another account in the company or an affiliated company. The reason for a Transfer Out may be a reclassification or a change in operations. No salvage entries are allowed for this code.
61	Regular	Retirement--all retirements which occur in the course of normal operations for any cause other than those listed herein.
62	Reimbursed	Retirement--a retirement of property for which the company is compensated fully at the time of retirement through insurance or by public authority as a result of negotiations.
63	Sale	Retirement--a retirement in which “going concern” property is sold for reuse to another organization for continuation of service. Sales at the end of life or because the property is no longer useful for normal transportation purposes are Regular Retirements (Code 61).

<b>Definition – This item identifies the acceptable transaction codes which are reported for each transaction.</b>		
Transaction Code	Transaction Title	Transaction Type--Description
64	Outlier	Retirement--a retirement which reflects a <u>highly improbable occurrence</u> should be classified as an outlier if the situation under which the retirement occurred can be documented as being exceptionally unusual.
65	Reconditioned	Retirement--retirement for the purpose of reconditioning the asset for further transportation service when the reconditioning is performed by the company or an affiliated company. The property is reentered into service coded 13 (Reconditioned).
81	+ Adjustment	Adjustment--adjustment codes should be used only with FERC approval. Entries to correct past errors or omissions are not considered to be adjustments and should be corrected by use of the "Corrected Transaction Year" field.
82	- Adjustment	
99	Balance	Balance--balance in service as of December 31 of the End Date (See Definitions of Items for Schedule A1 or S1). No salvage entries are permitted for this code.