**Section 605.100 Accounting Instruction 1**

Accounting Instruction 1, "General – Classification of Utilities," is deleted and replaced by the following:

"A. For the purpose of applying the system of accounts prescribed by the Commission, water utilities are divided into two classes, as follows:

 Class A – Utilities having annual water operating revenues of $1,000,000 or more.

 Class B – Utilities having annual water operating revenues of less than $1,000,000.

B. This system of accounts applies to Class A utilities. Class B utilities shall keep all the accounts of this system of accounts applicable to their affairs. Class B utilities may, however, keep accounts for operating revenues and operating expenses under the accounts of the condensed classifications provided by this Part. (See Accounting Instruction 40.)

C. The class to which any utility belongs shall originally be determined by the average of its annual water operating revenue for the last three consecutive years. Subsequent changes in classification shall be made when the annual water operating revenues for each of the three immediately preceding years shall exceed $1,000,000 on a stand alone basis of the annual water and sewer operating revenues.

D. Class B utilities desiring more detailed accounting may adopt the accounts prescribed for Class A utilities. Class B utilities are not required to comply with more detailed accounts than what otherwise may be their case."

(Source: Amended at 22 Ill. Reg. 11742, effective July 1, 1998)