

PIPELINE AND GAS UTILITY INSTRUCTIONS

- A. The value of pipeline and gas utilities is determined according to the special method of valuation described in Section 7-36-27 NMSA 1978.
- B. CAB-08 Form, Leased or Rented Real and Personal Property**
Use to list all leased or rented property where the tax liability rests with the lessor (See General Instruction G-8).
- C. CAB-05 Form, Report of Personal Property** (See General Instruction G-5)
Use to report all materials, supplies, inventories of personal property that are used in the conduct of the business, vehicles that are not registered under the motor vehicle code of New Mexico; other personal property including but not limited to: office furniture, office equipment, testing equipment, computers and machinery and equipment that is used in the operation of pipelines and gas utilities. Include also "Large Industrial Sales Meters" and tanks having an original cost in excess of \$2,500.00 on CAB-05 Form. List the original cost and accumulated depreciation as they appear in the FPC, FCC, I.C.C. or other report. Materials, supplies and inventories of personal property are valued at 100% of original cost. If your pipeline or gas utility company is unregulated, use Percent Good Tables 6A, 10A, or 25A to determine the percent good factor.
- D. CAB-04 Form, Report of Real Estate, Buildings and Improvements** (See General Instruction G-4)
Use to report all real estate, improvements and buildings owned by the company. If your pipeline or gas utility company is unregulated, use Percent Good Table 20A to determine the percent good factor for improvements and Table 45A for buildings.
- E. CAB-06 Form, Construction Work in Progress** (See General Instruction G-6)
Use to report all construction work in progress.
- F. CAB-P1 Form, Gas Meter Valuation Schedule**
Use this form to report all owned or leased gas sales meters with an original cost less than \$2,500.00 by school district, and other governmental jurisdictions within each county in New Mexico.
Column 1 - List the school districts where the gas sales meters are located.
Column 2 - CAB USE ONLY. No entry required.
Column 3 - GAS METERS - List the number of gas sales meters (with an original cost of less than \$2,500) in the respective school district in New Mexico by type of gas meter. Gas meter types are defined in Instruction J. From Instruction J enter the respective scheduled value by type of gas meter and multiply the scheduled value times the number of gas meters.
Column 4 - The property values determined in Column 4 are to be posted to **CAB-03 Form, County Property Summary**. (See General Instruction G-3).
- G. CAB-P2 Form, Pipeline Valuation Schedule**
Use this form to report owned or leased pipelines by school district within each county in New Mexico.
Column 1 - List the school district where the pipeline is located.
Column 2 - CAB USE ONLY - No entry required.
Column 3 (PIPELINES) - List the Original Cost of all owned or leased pipeline in the respective school district in New Mexico. List the Accumulated Depreciation applicable to the pipeline located in the respective school district. List the Functional or Economic Obsolescence, if applicable, in the respective school district. Request for Functional or Economic Obsolescence must be:
 1. Made at the time of filing the Annual Report.
 2. Supported with verifiable facts and proof.
 3. Based on a situation that has been present at least six (6) months prior to the lien date (January 1st). If your pipeline or gas utility company is unregulated, you must calculate the accumulated depreciation using the straight-line method over a twenty five-year life with a 20% floor.**Column 4** - Property Value is equal to Original Cost less Accumulated Depreciation less the Functional or Economic Obsolescence Adjustment, if applicable. The property values are to be posted to the CAB-03 Form, County Property Summary (See General Instruction G-3).

H. CAB-P3 Form, Pipeline and Gas Utility Plant Valuation Schedule.

Use this form to report all refineries, gasoline plants, purification plants, compressor or pumping stations, or similar plants including all structures, equipment, pipes and other related facilities. The improvement column is to be used for modernization, additional capacity or decreased capacity. Do not itemize maintenance or minor repairs. Report residential housing and office buildings on **CAB-04 Form, Real Estate, Buildings and Improvements** (See General Instruction G-4). If your pipeline or gas utility company is unregulated, you must calculate the accumulated depreciation using the straight-line method over a twenty-five year life with a 20% floor.

On CAB-P3 Form, list the location by school district, section, township and range where the plants are located. Identify the plant by company name and description. List the improvements, additions and deletions made to the plant. List the original cost of the plant and respective improvements. Enter the accumulated depreciation. The property values determined are to be posted to the **CAB-03 Form, County Property Summary** (See General Instruction G-3).

I. DEFINITIONS

Large industrial sales meters are meters having a tangible property cost in excess of two thousand five hundred dollars, (\$2,500.00).

Gas Sales Meters (other than large industrial sales meters) are:

TYPE I - sales meters with a capacity up to 250 cubic feet per hour at one-half inch differential. These generally include meters providing residential service.

TYPE II - sales meters with a capacity from 250 cubic feet to 950 cubic feet per hour at one-half inch differential. These generally include meters providing commercial or public authority service.

TYPE III - sales meters with a capacity greater than 950 cubic feet per hour at one-half inch differential and those meters providing industrial service with an installed cost including the associate regulator, appurtenances and devices of less than two thousand five hundred dollars (\$2,500.00).

J. GAS SALES METER VALUATION SCHEDULE*

Property Value

| <u>Type of Sales Meter</u> | <u>\$ Per Meter</u> |
|---|---------------------|
| Residential (Type 1) | 52.14 |
| Commercial or public Authority (Type 2) | 109.90 |
| Small Industrial (Type 3) | 477.35 |

***NOTE: This schedule is for sales meters having an original cost less than \$2,500. "Large Industrial Sales Meters" having an original cost in excess of \$2,500 are to be reported on CAB-05 Form, Report of Personal Property (See General Instruction G-5).**