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**DECISION**



**THE COMPTROLLER GENERAL,  
OF THE UNITED STATES  
WASHINGTON, D. C. 20548**

**FILE:** B-187203

**DATE:** OCT 19 1976

**MATTER OF:**

Robert J. Lally, Jr. - Miscellaneous  
expenses - Connection of utilities to  
new residence

**DIGEST:**

Transferred employee purchased newly constructed residence. Cost of initial installation of electrical power from service to dwelling may not be reimbursed since such expense is not mere connection of utilities, but involves structural alterations and is cost of purchase of real property.

This action is in response to a request dated August 13, 1976, by C.D. Heudorfer, an authorized certifying officer of the Department of Justice, Federal Bureau of Investigation (FBI), for a decision concerning the voucher submitted by Mr. Robert J. Lally, Jr. for reimbursement of expenses associated with providing electrical service to a new residence which he purchased incident to the transfer of his official duty station.

The record indicates that Mr. Lally, an employee of the FBI, was transferred from Washington, D.C. to Baltimore, Maryland, effective August 23, 1975. Mr. Lally purchased a newly constructed residence in Phoenix, Maryland, a suburb of Baltimore. On October 31, 1975, Mr. Lally paid \$242 to the Baltimore Gas and Electric Company for its services in establishing the initial electrical connection to the house. These services included the installation of power lines from the nearest service cables to the residence. Although we are not furnished with a copy of the purchase agreement made by the employee with the builder, the certifying officer states that such agreement provides that the installation of the electric meter, poles, sewer, and water lines shall be at the buyer's expense. Mr. Lally has presented a travel voucher on which he claims reimbursement of the \$242 under the miscellaneous expenses provisions of paragraph 2-3.1 of the Federal Travel Regulations (FPMR 101-7) (May 1973).

The employing agency suspended the item, stating that the amount claimed is associated with structural costs, and is therefore not reimbursable. The agency cited to Mr. Lally our decisions in B-161562, November 2, 1967; B-164111, June 10, 1968; and B-172333, April 23, 1971, in which we held that the installation of wiring or electrical circuits constitute structural alterations and therefore are not reimbursable items. Mr. Lally seeks to distinguish

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these cases on the basis that the service for which he seeks reimbursement is simply an "electrical connection." We are therefore asked whether the expense incurred by Mr. Lally for the initial electrical connection to his residence may properly be paid.

FTR para. 2-3.1b (May 1973) provides that the miscellaneous expenses allowance is related to the general types of costs inherent in the relocation of a place of residence. That paragraph provides that the types of costs intended to be reimbursed include fees for disconnecting and connecting utilities involved in relocation. FTR para. 2-3.1c, however, provides that among the types of costs that are not to be reimbursed are:

"(1) Losses in selling or buying real and personal property and cost items related to such transactions.

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"(13) Costs incurred in connection with structural alterations; remodeling or modernizing of living quarters, garages or other buildings to accommodate privately owned automobiles, appliances or equipment; or the cost of replacing or repairing worn-out or defective appliances, or equipment shipped to the new location." (Emphasis added.)

It is clear from the description of the types of costs for which reimbursement may or may not be made as set forth in the regulations, that the utility connections referred to in FTR paragraph 2-3.1b(1) consist of activation or deactivation of utility service to a structure which is already linked to the main utility source by the appropriate means. The initial connection of a dwelling to the various utilities is both a structural alteration and a cost of construction and purchase of the residence, and is therefore not reimbursable.

In the present case, the services for which reimbursement is sought consist of installation of power lines from the service cables to the house. The installation of these lines in a dwelling house is a capital improvement and, as such, involves structural alterations and is a cost of purchasing the dwelling.  
B-161562, November 2, 1967.

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Accordingly, the voucher which is returned herewith may not be certified for payment.

R. F. KELLER

Acting Comptroller General  
of the United States