

This account should be debited with amounts paid to settle the asset retirement obligations recorded herein.

The Utility should clear from this account any gains or losses resulting from the settlement of asset retirement obligations in accordance relevant instructions prescribed in the General Instructions section of this Volume.

10.4 Current and accrued liabilities

232 Accounts payable & accrued liabilities

This account should record all amounts payable by the Utility within one year, which are not provided for in other accounts. Examples that are to be included in this account are: Amounts invoiced for goods and services that have been invoiced but are unpaid at the end of the accounting period; Accruals for wages and salaries including source deductions and employee benefits that are unpaid at the end of the accounting period; Amounts for goods and services that have been received by the Utility but invoices have not been received at the end of the accounting period.

234 Accounts payable to associated companies

These accounts should record amounts owing to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open accounts payable on demand or not more than one year from date of issue or creation.

235 Customer deposits

This account should record all amounts deposited with the Utility by customers as security for the payment of bills.

236 Current income taxes payable

This account should be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits should be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, should be shown under the account for "Prepayments".

If accruals for taxes are found to be insufficient or excessive, correction therefore should be made through current tax accruals.

Accruals for taxes should be based upon the net amounts payable after credit for any discounts, and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds should be credited to account for "Interest, dividend and other

income”, while interest paid on deficiencies shall be charged to the account for “Short-term interest and other interest expense”.

The records supporting the entries to this account should be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

This account should be debited with the amount of instalments paid during the accounting period.

237 VAT

This account should record input and output tax transactions during the accounting period, corresponding with the debits credits being made to the appropriate accounts for input, output VAT and VAT refunds/offsets.

239 Matured long-term and short-term debt

This account should record the amount of long-term debt (including any obligation for premiums) matured and unpaid, without specific agreement for extension of the time of payment and bonds called for redemption but not presented and the amount of long-term debt classified as short term.

This account should include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than associated companies.

242 Miscellaneous current and accrued liabilities

This account should record the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

EXAMPLE ITEMS

1. Dividends declared but not paid.
2. Accrued interest.
3. Taxes collected through payroll deductions or otherwise pending transmittal to the proper taxing authority.

243 Obligations under capital leases— current

This account should record the portion, due within one year, of the obligations recorded for the amounts applicable to leased property recorded as assets in the account for “Property under capital leases” or the account for “Non-utility property”.

10.5 Deferred Credits

252 Customer advances for construction

This account should record advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account should be credited to the account for "Gross value of contributions".

253 Other deferred credits

This account should record advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

254 Regulatory Liabilities

This account should record the amounts of regulatory liabilities, not included in other accounts, imposed on the Utility by the ratemaking actions of the Energy Regulator.

The amounts included in this account are to be established by those credits which would have been included in net income determinations in the current period under the general requirements of the regulatory accounts but such items will be included in a different period(s) for purposes of developing the rates that the Utility is authorized to charge for its utility services; or where refunds to customers, not provided for in other accounts, will be required.

The amounts recorded in this account generally are to be credited to the same account that would have been credited if included in income when earned except:

If it is later determined and approved by the Energy Regulator that the amounts recorded in this account will not be returned to customers through rates or refunds, such amounts should be credited to the account for "Unusual/infrequent income", as appropriate, in the year such determination is made.

The records supporting the entries to this account should be so kept that the Utility can furnish full information as to the nature and amount of each regulatory liability included in this account, including justification for inclusion of such amounts in this account.

11 Text Pertaining to Detailed Electric Plant Accounts

11.1 Intangible Plant

301. Incorporation and organizational start-up

Record into this account all fees paid for incorporation, mergers and acquisition fee, company secretarial expenses, and expenditures specifically incurred to start up the business and putting it into readiness to do licensed business.

Exclude from this account cost of issuing shares, discounts on securities issued or assumed, costs for negotiating loans, selling bonds or other debt or expenses.

302. Franchises and consents

This account should record amounts paid for franchises, consents, water power licenses, or certificates, running for a specified term of more than one year, together with necessary and reasonable expenses related to procuring such franchises, consents, water power licenses, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises. Records supporting this account should be kept so as to show separately the book cost of each franchise or consent

Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

303. Miscellaneous intangible plant

This account should record cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.

11.2 Generation Plant - Hydro

305. Land

This account shall include the cost of land used in connection with hydro power generation.

306. Land rights

This account should record the cost of land rights used in connection with hydro power generation.

307. Buildings, fixtures and improvements

This account should record the cost of buildings, structures and improvements in place used in connection with hydro power generation.

308. Leasehold improvements

This account should record the cost of additions, improvements or alterations made to premises the utility leases from others. The cost of the leasehold improvements shall be depreciated over the term of the lease or the service life of the improvement, whichever is shorter. Renewal provisions in the lease agreement shall be disregarded in amortizing leasehold improvements.

This account should be subdivided into as many classifications as are required.

309. Reservoirs, dams, and waterways

This account should record the cost in place of facilities used for impounding, collecting, storage, diversion, regulation, and delivery of water used primarily for generating electricity.

310. Water wheels, turbines and generators

This account should record the cost of installed water wheels and hydraulic turbines and generators driven by those turbines in producing electricity by water power or other equipment that is a part of the hydraulic power plant works used in power production

311. Accessory electric equipment

This account should record the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by hydraulic power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts, such motors being included in the account in which the equipment with which they are associated is included.

312. Miscellaneous power plant equipment

This account should record the cost of installed miscellaneous equipment in and about the hydroelectric generating plant which is devoted to general station use and is not properly includible in other hydraulic production accounts.

313. Roads, railroads and bridges

This account should record the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It includes also those roads, etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

314. Asset retirement cost for hydro generation plant

This account should record asset retirement costs on plant included in the hydraulic production function.

11.3 Generation Plant – Coal

320. Land

This account should record the cost of land used in connection with coal power generation.

321. Land rights

This account should record the cost of land rights used in connection with coal power generation.

322. Buildings, fixtures and improvements

This account should record the cost of buildings, structures and improvements used in connection with coal power generation.

323. Leasehold improvements

This account should record the cost of additions, improvements or alterations made to premises the utility leases from others. The cost of the leasehold improvements shall be depreciated over the term of the lease or the service life of the improvement, whichever is shorter.

Renewal provisions in the lease agreement shall be disregarded in amortizing leasehold improvements.

This account can be subdivided into as many classifications as are required.

324. Boiler plant equipment

This account should record the cost installed of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam, mercury, or other vapour, to be used primarily for generating electricity.

325. Engines and Engine-Driven Generators

This account should record the cost installed of steam engines, reciprocating or rotary, and their associated auxiliaries; and engine-driven main generators, except turbo generator units.

326. Turbo Generators units

This account should record the cost installed of main turbine-driven units and accessory equipment used in generating electricity by steam.

327. Accessory electric equipment

This account should record the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by coal power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts, such motors being included in the account in which the equipment with which they are associated is included.

328. Miscellaneous power plant equipment

This account should record the cost of installed miscellaneous equipment in and about the coal generating plant which is devoted to general station use and is not properly includible in other coal power production accounts

329. Roads, railroads and bridges

This account should record the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It also includes those roads, etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

330. Asset retirement cost for generation plant

This account should record asset retirement costs on plant included in the coal production function.

11.4 Generation Plant - Gas/Hydrocarbons**331. Land**

This account should record the cost of land used in connection with gas/hydrocarbons power generation.

332. Land rights

This account should record the cost of land rights used in connection with gas/hydrocarbons power generation.

333. Buildings, fixtures and improvements

This account should record the cost of buildings, structures and improvements used in connection with gas/hydrocarbons power generation.

334. Leasehold improvements

This account should record the cost of additions, improvements or alterations made to premises the utility leases from others. The cost of the leasehold improvements shall be depreciated over the term of the lease or the service life of the improvement, whichever is shorter.

Renewal provisions in the lease agreement shall be disregarded in amortizing leasehold improvements.

This account can be subdivided into as many classifications as are required.

335. Fuel holders, producers, and accessories

This account should record the cost installed of fuel handling and storage equipment used between the point of fuel delivery to the station and the intake pipe through which fuel is directly drawn to the engine, also the cost of gas producers and accessories devoted to the production of gas for use in prime movers driving main electric generators.

336. Prime movers

This account should record the cost of installed diesel and other prime movers devoted to the generation of electric energy, together with their auxiliaries.

337. Generators

This account should record the cost of installed diesel or other power driven main generators.

338. Accessory electric equipment

This account should record the cost of installed auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced in other power generating stations, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which it is associated is included.

339. Miscellaneous power plant equipment

This account should record the cost of installed miscellaneous equipment in and about the gas/hydrocarbons generating plant which is devoted to general station use and is not properly includible in other gas/hydrocarbons production accounts.

340. Roads, railroads and bridges

This account should record the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It includes also those roads, etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

341. Asset retirement cost for gas/hydrocarbons generation plant

This account should record asset retirement costs on plant included in the gas/hydrocarbons production function.

11.5 Generation Plant - Nuclear

345. Land

This account should record the cost of land used in connection with nuclear power generation.

346. Land rights

This account should record the cost of land rights used in connection with nuclear power generation.

347. Buildings, fixtures and improvements

This account should record the cost of buildings, structures and improvements used in connection with nuclear power generation.

348. Leasehold improvements

This account should record the cost of additions, improvements or alterations made to premises the utility leases from others. The cost of the leasehold improvements shall be depreciated over the term of the lease or the service life of the improvement, whichever is shorter.

Renewal provisions in the lease agreement shall be disregarded in amortizing leasehold improvements.

This account can be subdivided into as many classifications as are required.

349. Boiler plant equipment/Nuclear Reactor

This account should record the cost installed of furnaces, boilers, uranium and ash handling and uranium preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam, mercury, or other vapour, to be used primarily for generating electricity.

350. Generators

This account should record cost of installed nuclear or other power driven main generators.

351. Accessory electric equipment

This account should record the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by uranium power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts, such motors being included in the account in which the equipment with which they are associated is included.

352. Miscellaneous power plant equipment

This account should record the cost of installed miscellaneous equipment in and about the nuclear generating plant which is devoted to general station use and is not properly includible in other nuclear power production accounts

353. Roads, railroads and bridges

This account should record the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It also includes those roads, etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

354. Asset retirement cost for generation plant

This account should record asset retirement costs on plant included in the nuclear power production function.

11.6 Transmission Plant

380. Land

This account should record the cost of land used in connection with transmission operations.

381. Land rights

This account should record the cost of land rights used in connection with transmission operations.

382. Buildings, fixtures and improvements

This account should record the cost of buildings, fixtures and improvements used in connection with transmission operations.

383. Leasehold improvements

This account should record the cost of additions, improvements or alterations made to premises the utility leases from others. The cost of the leasehold improvements shall be depreciated over the term of the lease or the service life of the improvement, whichever is shorter.

Renewal provisions in the lease agreement shall be disregarded in amortizing leasehold improvements.

This account can be subdivided into as many classifications as are required.

384. Station equipment

This account should record the cost installed of transforming, conversion, and switching equipment used for changing the characteristics of electricity in connection with its transmission or for controlling transmission circuits.

385. System communication and control

This account shall include the cost of all installed equipment utilized for the purposes of providing control, operation and observation of the status of the transmission system. e.g. Supervisory Control and Data Acquisition System (SCADA) communication equipment, Digital and Analog Microwave system, repeater stations etc

386. Towers and fixtures

This account should record the cost installed of towers and appurtenant fixtures used for supporting overhead transmission conductors.

387. Poles and fixtures

This account should record the cost of installed transmission line poles, wood, steel, concrete, or other material, together with appurtenant fixtures used for supporting overhead transmission conductors.

388. Overhead conductors and devices

This account should record the cost of installed overhead conductors and devices used for transmission purposes.

389. Underground conduit

This account should record the cost installed of underground conduit and tunnels used for housing transmission cables or wires.

390. Underground conductors and devices

This account should record the cost installed of underground conductors and devices used for transmission purposes.

391. Roads and trails

This account should record the cost of roads, trails, and bridges used primarily as transmission facilities.

The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, should be charged to the accounts appropriate for the construction.

392. Asset retirement costs for transmission plant

This account should record asset retirement costs on plant included in the transmission plant function.

11.7 Distribution Plant

400. Land

This account should record the cost of land used in connection with power distribution operations.

401. Land rights

This account and its sub-accounts should record the cost of land rights, interests and privileges held by the utility in land owned by others.

402. Buildings, fixtures and improvements

This account shall include the cost in place of buildings, fixtures and improvements used in connection with power distribution operations.

403. Leasehold improvements

This account should record the cost of additions, improvements or alterations made to premises the utility leases from others. The cost of the leasehold improvements shall be depreciated over the term of the lease or the service life of the improvement, whichever is shorter.

Renewal provisions in the lease agreement shall be disregarded in amortizing leasehold improvements.

This account can be subdivided into as many classifications as are required.

404. Transformer station equipment – Normally primary above 132kv

This account should record the installed cost of transforming and switching equipment used for the purpose of stepping down from transmission voltages to sub-transmission voltages and/or distribution voltages.

The account shall include all equipment used in the above operation from the high voltage feeder through to the delivery point outside the station or the connections within the confines of the station area.

The detail of separate stations should be entered in such a manner that an accurate record of their age, cost, location, and voltage characteristics will be evident.

405. Transformer station equipment – Normally primary below 132kv

This account should record the installed cost of transforming and switching equipment used for the purpose of stepping down to distribution voltages.

The account should record all equipment used in the above operation from the high voltage feeder through to the low voltage connection outside the station within the confines of the station area.

The detail of separate stations should be entered in such a manner that an accurate record of their age, cost, location, and voltage characteristics will be evident.

This account should also record the installed cost of overhead and underground distribution line transformers and pole type and underground voltage regulators owned by the Utility, for use in transforming electricity to the voltage at which it is to be used by the customer, whether actually in service or held in reserve.

The records covering line transformers should be kept in such a manner that the Utility can furnish information on the number of transformers of various capacities in service and those in reserve by; type (underground or overhead), capacity, and the location and the use of each transformer.

NOTE: The cost of line transformers used solely for street lighting or signal systems should not be included in this account but in account for "Street lighting and signal systems"

406. System communication and control

This account should record the installed cost of all equipment utilized for the purposes of providing control, operation and observation of the status of the distribution system, e.g. Supervisory Control and Data Acquisition System (SCADA) communication equipment; Communications Equipment including Optic Fibres, coaxial cable which are used, etc.

407. Storage battery equipment

This account should record the installed cost of storage battery equipment used for the purpose of supplying electricity to meet emergency or peak demands.

NOTE: The cost of storage batteries used for control and general station purposes should not be included in this account but in the account appropriate for their use.

408. Poles, towers and fixtures

This account should record the cost installed of poles, towers, and appurtenant fixtures used for supporting overhead distribution conductors and service wires.

409. Overhead conductors and devices

This account should record the installed cost of overhead conductors and devices used for distribution purposes and the installed cost of overhead conductors leading from a point

where wires leave the last pole of the overhead system or the distribution box, or the top of the pole of the distribution line, to the point of connection with the customer's outlet or wiring.

NOTE: The cost of conductors used solely for street lighting or signal systems shall not be included in this account but in account for "Street lighting and signal systems".

410. Underground conduit

This account should record the installed cost of underground conduit and tunnels used for housing distribution cables or wires, including conduits used for underground service conductors.

NOTE: The cost of conduits used solely for street lighting or signal systems shall not be included in this account but in account for "Street lighting and signal systems".

411. Underground conductors and devices

This account should record installed cost of underground conductors and devices used for distribution purposes, including the installed cost of underground conductors leading from a point where wires leave the last distribution box or manhole, to the point of connection with the customer's outlet or wiring.

NOTE: The cost of conductors and devices used solely for street lighting or signal systems should not be included in this account but in account for "Street lighting and signal systems"

412. Conventional meters

This account should record the installed cost of conventional meters or devices and appurtenances thereto, for use in measuring the electricity delivered to customers, whether actually in service or held in reserve.

The records covering conventional meters should be kept in such a manner that the Utility can furnish information on the number of conventional meters of various capacities in service and those in reserve.

NOTE: This account should **not** include conventional meters for recording output of a generation station, substation meters etc.

413. Automated meters

This account should record the installed cost of automated meters or devices and appurtenances thereto, used in measuring the electricity delivered to customers, whether actually in service or held in reserve.

The records covering automated meters should be kept in such a manner that the Utility can furnish information on the number of conventional meters of various capacities in service and those in reserve.

NOTE: This account should **not** include automated meters for recording output of a generation station, substations meters etc.

414. Other installations on customer's premises

This account should record the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property.

415. Leased property on customer premises

This account should record the cost of electric motors, transformers, and other equipment on customers' premises, leased or loaned to customers, but not including property held for sale.

416. Street lighting and signal systems

This account should record the installed cost of utility owned equipment used wholly for public street and highway lighting or traffic, fire alarm, police, and other signal systems.

417. Asset retirement costs for distribution plant

This account should record Asset Retirement Costs on plant included in the distribution plant function.

11.8 General Plant

430. Land

This account should record the cost of land used for utility purposes, the cost of which cannot be properly included in other land accounts.

431. Land rights

This account should record the cost of land rights used for utility purposes, the cost of which cannot be properly included in other land rights accounts.

432. Buildings, fixtures and improvements

This account shall include the cost in place of buildings, fixtures and improvements used for utility purposes, the cost of which cannot be properly included in other buildings, fixtures and improvements accounts.

433. Office furniture and equipment

This account should record the cost of office furniture and equipment owned by the Utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the Utility elects to assign to other plant accounts on a functional basis.

This account should be maintained in such a manner as to provide the cost of each piece of equipment, and be subdivided into as many classifications as are required.

434. Computer hardware and voice and data network equipment

This account should record the installed cost of acquiring computer hardware including telephone network equipment for general use in connection with utility operations. Hardware includes all physical equipment associated with computer input, processing, storage, retrieval and output functions.

This account should be subdivided as deemed appropriate.

NOTE: Communications equipment utilized to monitor and control utility operations such as SCADA equipment should be recorded in the accounts for Systems communication and control.

435. Computer software and applications

This account should record the installed cost of developed and purchased computer application software.

This account should be subdivided as deemed appropriate.

436. Load settlement software applications

This account should record the installed cost of developed and purchased computer application software associated with processes for load settlement.

This account should be subdivided as deemed appropriate.

437. Transportation equipment, fleet vehicles

This account should record the cost of fleet vehicles generally used for general purposes.

This account should be subdivided as deemed appropriate, and the account should be maintained in such a manner as to provide the cost of each piece of equipment.

NOTE: Non-fleet, work and service equipment should be recorded in the account for "Power operated equipment"

438. Tools, workshop, garage, and stores equipment

This account should record the cost of tools, implements, equipment used in construction, repair work, general workshops garages, equipment used for the receiving, shipping, handling, and storage of materials and supplies; none of which is specifically provided for or can be included in other departmental or functional plant accounts.

439. Measurement and testing equipment

This account should record installed cost of laboratory equipment used for general laboratory purposes; none of which is specifically provided for or can be included in other departmental or functional accounts.

440. Power operated equipment

This account should record the cost of power operated equipment used in construction or repair work exclusive of equipment that can be included in other accounts. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

441. Mobile communication equipment

This account shall include the installed cost of mobile and wireless equipment for general use in connection with utility operations.

NOTE: This account will not include telephone systems or SCADA control systems costs that are included in the accounts for "Systems communications & control". Telephone systems will be included in the account for "Computer hardware and voice & data network equipment".

442. Miscellaneous equipment

This account should record cost of equipment, apparatus, etc., used in the utility operations, which is not included in any other account in this regulatory chart of accounts.

Examples of miscellaneous equipment items are:-

1. Hospital and infirmary equipment.
2. Kitchen equipment.
3. Employees' recreation equipment.
4. Radios.
5. Restaurant equipment.
6. Soda fountains.
7. Operators' cottage furnishings.
8. Other miscellaneous equipment.

NOTE: Miscellaneous equipment of the nature indicated above wherever practicable should be included in the utility plant accounts on a functional basis.

443. Other tangible property

This account should record the cost of tangible utility plant not provided for elsewhere.

444. Asset retirement cost for general plant

This account should record asset retirement costs on plant included in the general plant function.

12 Text Pertaining to Income Statement

12.1 Utility Operating Revenue & Expense

500 Operating revenues - Distribution (540 to 550)

This account should show the total amount of the account balances from the related accounts (540 – 553 inclusive).

501 Operation and maintenance expense (600 to 999)

This account should show the total amount of the account balances from the related accounts (600 – 999 inclusive).

503 Depreciation and amortization expense

This account should record the amount of depreciation and amortization expense for all classes of depreciable electric plant in service. Records should be kept that allow depreciation expense to be shown by plant account.

The Utility should keep such records of property and property retirements as will reflect the service life of property which has been retired and aid in estimating probable service life by appropriate methods; and also such records as will reflect the percentage of salvage and costs of removal for property retired from each account, or subdivision thereof, for depreciable electric plant.

504 Depreciation expense for asset retirement costs

This account should record the depreciation expense for asset retirement costs included in electric utility plant in service.

505 Amortization of electric plant acquisition adjustments

This account should be debited or credited, as the case may be, with approved amounts included in operating expenses for the purpose of providing for the extinguishment of the amount in the account for "Electric plant acquisition adjustments".

506 Regulatory debits

This account should be debited, when appropriate, with the amounts credited to the account for "Regulatory liabilities", to record regulatory liabilities imposed on the Utility by the ratemaking actions of the Energy Regulator. This account should also be debited, when appropriate, with the amounts credited to the account for "Regulatory assets", concurrent with the recovery of such amounts in rates.

507 Regulatory credits

This account should be credited, when appropriate, with the amounts debited to the account for "Regulatory assets", to establish regulatory assets. This account shall also be credited,

when appropriate, with the amounts debited to the account for "Regulatory liabilities", concurrent with the return of such amounts to customers through rates.

508 Taxes other than income taxes, utility operating income

This account should record the amounts of all other taxes assessed, except income taxes. Such taxes may include "payments in- lieu of taxes", municipal and school taxes, property taxes, property transfer taxes, commodity taxes, and franchise fees.

This account should be charged in each accounting period with the amount of taxes which are applicable thereto, with concurrent credits to the account for "Current income taxes payable", or the account for "Prepayments", as appropriate. When it is not possible to determine the exact amount of taxes, the amounts should be estimated and adjustments made in current accruals as the actual tax levies become known.

The charges made to this account should be made or supported so as to show the amount of each tax and the basis upon which each charge is made.

509 Income taxes, utility operating income

This account should include the amounts of income taxes on income and large corporation tax amounts properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals should be made to the account for "Current income taxes payable", and as the exact amounts of taxes become known, the current tax accruals should be adjusted by charges or credits to these accounts, so that these accounts as nearly as can be ascertained should reflect the actual taxes payable by the Utility.

NOTE 1: Taxes assumed by the Utility on interest should be charged to the account for "Short term interest and other interest expense".

NOTE 2: Interest on tax refunds or deficiencies should not be included in these accounts but in the account for "Interest, dividend and other income" or in the account for "Short term interest and other interest expense", as appropriate.

510 Provisions for future income taxes, utility operating income

The balance in this account should represent the amount provided for future income taxes in the fiscal year.

The offsetting entry to this provision should be to the account for accumulated future income taxes (debit) and/or the account for "Accumulated future income taxes (credit)" as per the instructions for those accounts.

510.2 VAT, utility operating activities

This account should record input/output VAT for utility operating activities. Concurrent credits and debits for the VAT input and output taxes should be made to the account for "VAT" under liabilities,

511 Gains / Losses from disposition of utility plant

This account should record, as approved by the Energy Regulator, amounts relating to gains or losses from the disposition of future use utility plant including amounts which were previously recorded in and transferred from the account for "Electric plant held for future use", under the provisions of paragraphs. Income taxes relating to gains recorded in this account should be recorded in the account for "Income taxes, utility operating income."

The Utility should record in this account gains or losses resulting from the settlement of asset retirement obligations related to utility plant in accordance with the accounting prescribed in General Instructions for Electric Plant

512 Accretion expense asset retirement obligation

This account should be charged for accretion expense on the liabilities associated with asset retirement obligations included in the account for "Asset retirement obligations", related to electric utility plant.

513 Revenues from electric plant leased to others

These accounts should record revenues from electric property constituting a distinct operating unit or system leased by the Utility to others, and which property is properly included in the account for "Electric plant leased to others".

514 Expenses of electric plant leased to others

This account should record and the expenses attributable to such property leased to others. The detail of expenses should be kept or supported so as to show separately the following:
(1) Operation and Maintenance. (2) Depreciation. (3) Amortization

NOTE: Related taxes should be recorded in the account for "Taxes other than income taxes, utility operating income", or the account for "Income taxes, utility operating income", as appropriate.

12.2 Other Income and Deductions

A. Other Income

517 Revenues from non-utility operations

These accounts should record revenues applicable to operations which are non-utility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole.

NOTE: Related taxes should be recorded on the account for "Other deductions".

518 Expenses of non-utility operations

These accounts should record expenses applicable to operations which are non-utility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole.

The expenses should include all elements of costs incurred in such operations, and the accounts should be maintained so as to permit ready summarization as follows:

(1) Operation and Maintenance. (2) Rents. (3) Depreciation. (4) Amortization.

519 Equity in earnings of subsidiary companies

This account should record the Utility's equity in the earnings or losses of subsidiary companies for the year.

520 Interest, dividend and other income

This account should record interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

This account should be subdivided into the following sub-accounts as to keep track of interest, dividends and other income separately:-

521.1 Interest

522.2 Dividend

522.3 Profit/Loss from disposition of emission (carbon credits)

522.3 Other income

521 Profit and Losses from Financial Instrument Hedges

This account should be used to record profits and losses from financial instruments used as hedges against financial risks such as price risk (i.e. currency risk, interest rate risk and market risk), credit risk, liquidity risk and cash flow risk. A financial instrument is any contract that gives rise to both a financial asset of one party and a financial liability or equity instrument of another.

Note that financial instruments entered into for speculative investment purposes should be recorded separate sub-account under the account for "Interest, dividend and Other Income".

The related asset/liability should be recorded in the Account for "Derivative Financial Assets" or "Derivative Financial Liabilities"

522 Allowance for other funds used during construction

This account should record concurrent credits for allowance for other funds used during construction, calculated as may be prescribed the Energy Regulator

B. Other Income Deductions

NOTE: These (other income deductions) accounts record miscellaneous expense items which are non-operating in nature and properly deductible in determining total income before interest charges. The classification of expenses as non-operating and their inclusion in these accounts is for accounting purposes, but is not automatically be allowed by the Energy Regulator for rate making or other purposes.

523 Donations

This account should record all payments or donations for charitable, social or community welfare purposes.

524 Life insurance

This account shall include all payments for life insurance of officers and employees where the Utility is beneficiary (net premiums less increase in cash surrender value of policies).

525 Penalties

This account should record payments by the Utility for penalties or fines for violation of any regulatory statutes by the Utility or its officials.

526 Expenditures for certain civic, political and related activities

This account shall include expenditures for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances) or approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials, but shall not include such expenditures which are directly related to appearances before regulatory or other governmental bodies in connection with the reporting Utility's existing or proposed operations.

527 Other deductions

This account should record other miscellaneous expenses which are non-operating in nature, but which are properly deductible before determining total income before interest charges.

12.3 Interest Charges

528 Interest on long-term debt

This account should record the amount of interest on outstanding long-term debt issued or assumed by the Utility, the liability for which is included in the account for "Bonds and other long-term debt".

This account should be so kept or supported as to show the interest accruals on each class and series of long-term debt.

530 Interest on debt to associated companies

This account should record the interest accrued on amounts included in the account for "Advances from Associated Companies" and on all other obligations to Associated Companies.

The records supporting the entries to this account should be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

531 Short term interest and other interest expense

This account should record all interest charges not provided for elsewhere.

12.4 Unusual/infrequent Items

534 Unusual/infrequent income

This account should be credited with gains of unusual nature and infrequent occurrence, which would significantly distort the current year's income computed before Unusual/infrequent Items, if reported other than as Unusual/infrequent items. Income tax relating to the amounts recorded in this account should be recorded in the account for "Income taxes, utility operating income".

535 Unusual/infrequent deductions

This account should be debited with losses of unusual nature and infrequent occurrence, which would significantly distort the current year's income computed before Unusual/infrequent Items, if reported other than as Unusual/infrequent items. Income tax relating to the amounts recorded in this account should be recorded in the account for "Income taxes, utility operating income".

12.5 Revenue From Services - Generation

536 Generation services revenue

12.6 Revenue From Services - Transmission

537 Transmission services revenue

This account should only be used by transmission utilities to record revenues from transmission of electricity on behalf of others (i.e. distributors, etc).

The records should be maintained so that the quantity of electricity supplied to each party and the related revenues are readily available.

12.7 Revenue from Services – Distribution/Sale of Electricity

538 Distribution charges revenue

This account should record revenues from network distribution charge that should not be included in sale/distribution/reticulation of electricity accounts.

13 Text Pertaining to Sale/Distribution/Reticulation of Electricity

NOTE: The following list of tariff revenues accounts for distribution Utilities is only indicative, and may not be exhaustive. The utilities should therefore endeavour to report distribution revenues by rate classes of the utility and should assign account numbers within the prescribed range of 540 – 551 (for distribution revenues) such that each rate class receives its own account number.

540 Domestic low (Indigent)/Prepaid

This account should record the net billing for electricity supplied for low usage domestic (indigent/prepaid) purposes.

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

541 Domestic high (Conventional)

This account should record the net billing for electricity supplied for conventional domestic purposes.

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

542 Commercial Conventional (Single Phase)

This account should record all revenue resulting from the sale of electrical energy used by customers classified as commercial conventional (single phase).

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

543 Commercial Conventional (3-Phase)

This account should record all revenue resulting from the sale of electrical energy used by customers classified as commercial conventional (3-phase).

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

544 Commercial Prepaid

This account should record all revenue resulting from the sale of electrical energy used by customers classified as commercial prepaid.

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

545 Industrial (400 Volts) (Low Voltage)

This account should record all revenue resulting from the sale of electrical energy used by customers classified as Industrial low-voltage.

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

546 Industrial (11 000 Volts) (High Voltage)

This account should record all revenue resulting from the sale of electrical energy used by customers classified as Industrial high-voltage.

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

547 Special/Negotiated tariffs

This account should record all revenue resulting from the sale of electrical energy used by customers classified under special/negotiated tariff arrangements.

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

548 Agricultural/ Rural/Farm dwellings tariffs

This account should record all revenue resulting from the sale of electrical energy used by customers classified as agricultural/rural/farm dwellings.

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

549 Sports grounds/Churches/Holiday/old age homes

This account should record all revenue resulting from the sale of electrical energy used by customers classified as sports grounds/churches/holiday/old age homes.

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

550 Water pumps

This account should record all revenue resulting from the sale of electrical energy used for water pumps.

Records should be maintained so that the quantity of electricity sold and the revenue received under each rate schedule is readily available

551 Street Lighting

This account should record all revenue resulting from the sale of electrical energy used for the lighting of streets and parks

552 Government Assistance Directly Credited to Income

This account should record government assistance/grants towards current expenses or revenues, including grants for Basic Free Electricity. It should also record government assistance that has been deferred, and is subsequently amortized to income as related expenses are incurred.

554 Own-use/Interdepartmental Energy Sales

This account should record amounts charged by the electric department at tariff or other rate determined in accordance to RRM Volume 1 for electricity supplied by it to other electric utility departments and/or for its own use.

556 Revenue Adjustment

This account should record both unbilled revenue adjustments and prior year billing adjustments. Each adjustment should be completely described.

558 Miscellaneous service revenues: Affiliates & Inter-Affiliates

This account should record all revenues (tariff, non-conventional or non-tariff) for services and charges billed to affiliates, in accordance with the provisions of each Utility's policy on affiliate transactions as prescribed in RRM Volume 1. These transactions are not specifically provided for in other accounts.

NOTE: This account will be broken down by major revenue classifications per utility specific requirements.

559 Miscellaneous service revenues

This account should record tariff revenues as outlined in the terms and conditions, non-conventional or non-tariff revenues for all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

Separate records should be maintained for each class of service and related charges.

EXAMPLE ITEMS

1. Fees for changing, connecting or disconnecting service.
2. Payment in lieu of notice revenues collected from customers.
3. Revenues collected from off cycle reads.
4. Fees gained from third parties for work done to complete meter compliance testing.
5. Revenue on maintenance of appliances, wiring, piping or other installations on customers' premises.
6. Revenues received for joint pole usage.
7. Net credit or debit (cost less net salvage and less payment from customers) on closing of work orders for plant installed for temporary service of less than one year.
8. Revenues from rent of electric property.

NOTE: This account will be broken down by major revenue classifications per Utility specific requirements.

560 Export sales

This account should record revenue from sale to of network services and/or electricity sales to customers domiciled outside South Africa. This account should include a record all revenues activities related to pool electricity.

A sub-account should be created within this account to record and track/record separately and report to the Energy Regulator expenses related to these export sales or network service.

14 Text Pertaining to Operating and Maintenance Expenses

14.1 Generation Expenses – Operation & maintenance

600 Hydraulic expenses

This account should record the cost of labour, materials used and expenses incurred in operating and maintenance of hydraulic works including reservoirs, dams, and waterways, and in activities directly relating to the hydroelectric development outside the generating station. It should also record the cost of labour, materials and expenses incurred in operating and maintenance of prime movers, generators and their auxiliary apparatus, switchgear and other electric equipment.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 600.1 Labour
- 600.2 Material & Supplies
- 600.3 Other Expenses

The utility may also, if it so desires, create further subcategories as separate between operation and maintenance expenses.

605 Combustion engines/turbine operations

This account should record the cost of labour and expenses incurred in the general supervision and direction of the operation of other power generating stations. This account should also include the cost of labour, materials used and expenses incurred in operating prime movers, generators and electric equipment in other power generating stations, to the point where electricity leaves for conversion for transmission or distribution. Additionally, this account should include the cost of labour, materials used and expenses incurred in the operation of other power generating stations

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 605.1 Labour
- 605.2 Material & supplies used
- 605.3 Other expenses

The utility may also, if it so desires, create further subcategories as separate between operation and maintenance expenses.

610 Fuel

This account should record the cost delivered at the station of all fuel, such as gas, oil, kerosene, coal, and gasoline used in power generation.

This account should be subdivided in into the following sub accounts as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 610.1 Labour
- 610.2 Consumables
- 610.3 Other expenses

615 Combustion engines/turbines maintenance

This account should record the cost of labour, materials used and expenses incurred in maintenance of other power generation plant.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 615.1 Labour
- 615.2 Material & supplies used
- 615.3 Other expenses

The utility may also, if it so desires, create further subcategories as separate between operation and maintenance expenses.

620 Other expenses

This account should be charged with any production expenses, which are not specifically provided for in other production expense accounts. Charges to this account should be supported so that a description of each type of charge will be readily available.

Recoveries from insurance companies, under use and occupancy provisions of policies, of amounts in reimbursement of excessive or added production costs for which the insurance company is liable under the terms of the policy should be credited to this account.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 620.1 Labour
- 620.2 Material & supplies used
- 620.3 Other expenses

The utility may also, if it so desires, create further subcategories as separate between operation and maintenance expenses.

621 Allowances for Waste Management/Emissions

This account should record the cost of allowances expensed concurrent with monthly carbon emissions in accordance with the prevailing South African Environmental Act legislative requirements.

14.2 Power Purchased and Other Power Supply Expenses

625 Power Purchased

This account should record the cost of all electricity purchased for resale.

The records supporting this account should show, by month, the demand and demand charges, kilowatt-hours and price thereof under each purchase contract and the charges and credits under each exchange of power pooling contract.

626 Charges – Transmission/Distribution of Electricity by Others

This account should be record amounts payable to others for the transmission of the utility's electricity using transmission power system facilities owned by others.

627 Charges-Distribution of Electricity by Others

This account should be record amounts payable to others for the distribution of the utility's electricity using distribution power system facilities owned by others.

14.3 Transmission expenses- Operation & maintenance**630 Operation & Maintenance Supervision and engineering**

This account should record the cost of labour and expenses incurred in the general supervision and direction of the operation and maintenance of the transmission system as a whole. Direct supervision of the same, shall be charged to the appropriate account.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 630.1 Labour
- 630.2 Material & supplies used
- 630.3 Other expenses

The utility may also, if it so desires, create further subcategories as separate between operation and maintenance expenses.

632 Operation & Maintenance Control centre operations

This account should record the cost of labour, materials used and expenses incurred in control centre operations pertaining to the transmission of electricity.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 632.1 Labour
- 632.2 Material & supplies used
- 632.3 Other expenses

The utility may also, if it so desires, create further subcategories as separate between operation and maintenance expenses.

636 Operation & Maintenance Station equipment expenses

This account should record the cost of labour, materials used and expenses incurred in operating and maintenance of transmission sub-stations and switching stations, the book cost of which is recorded in the account for "Station equipment".

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 636.1 Labour
- 636.2 Material & supplies used
- 636.3 Other expenses

The utility may also, if it so desires, create further subcategories as separate between operation and maintenance expenses.

638 Operation & Maintenance Overhead lines expenses

This account should record the cost of labour, materials used and expenses incurred in operation and maintenance of transmission plant, the book cost of which is recorded in the accounts for "Towers and fixtures", "Poles and fixtures", "Overhead conductors and devices".

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 638.1 Labour
- 638.2 Material & supplies used
- 638.3 Other expenses

The utility may also, if it so desires, create further subcategories as separate between operation and maintenance expenses.

640 Operation & Maintenance Underground lines expenses

These accounts should record the cost of labour, materials used and expenses incurred in the operation and maintenance of transmission lines, the book cost of which is recorded in the account for "Underground conductors and devices".

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 640.1 Labour
- 640.2 Material & supplies used
- 640.3 Other expenses

The utility may also, if it so desires, create further subcategories as separate between operation and maintenance expenses.

NOTE: Programs that extend the life or provide future benefit of the asset will be recorded to the associated capital accounts.

642 Operation & Maintenance Miscellaneous transmission expenses

This account should record the cost of labour, materials used and expenses incurred in transmission map and record work, transmission office expenses, and other transmission expenses not provided for elsewhere.

This account should be subdivided in sub accounts as to keep track of cost of labour, consumables, other expenses, etc, separately. The utility may also, if it so desires, create subcategories as separate between operation and maintenance expenses

646 Operation & Maintenance servitude (right of way) payments

The expense associated with operating and maintaining transmission servitude (right of way) properties is the only expenditures to be accounted for within this account.

If payments cover property used for more than one function, such as production plant and transmission, or by more than one department, the payment should be apportioned to the appropriate account on an actual, or if necessary, a fully allocated cost basis.

The costs for the property when incurred by the Utility should be charged to the accounts appropriate for the expense, as if the property were owned.

648 Operation & Maintenance of structures

This account should record the cost of labour, materials used and expenses incurred in the operations and maintenance of structures, the book cost of which is recorded in account for "Structures and improvements".

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 648.1 Labour
- 648.2 Material & supplies used
- 648.3 Other expenses

650 Operation and Maintenance of vegetation management

This account should record the cost of labour, materials used and expenses incurred in operation and maintenance of plant specially related to the control of trees, brush and general vegetation which may affect the safe and reliable operation of the transmission system.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 650.1 Labour
- 650.2 Material & supplies used
- 650.3 Other expenses

652 Operation & Maintenance IT support

This account should record the cost of labour, materials used and expenses incurred in operation and maintenance of owned or leased Information Technology (IT) systems which is assignable to transmission operations and is not provided for elsewhere.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 652.1 Labour
- 652.2 Material & supplies used
- 652.3 Other expenses

14.4 Distribution expenses – Operation & Maintenance**655 Operation & Maintenance Supervision and engineering**

This account should record the cost of labour and expenses incurred in the general supervision and direction of the operation and maintenance of the distribution system. Direct supervision of specific activities, such as station operation, line operation, meter department operation, etc., shall be charged to the appropriate account.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 655.1 Labour
- 655.2 Material & supplies used
- 655.3 Other expenses

657 Operation & Maintenance Control centre operations

This account should record the cost of labour, materials used and expenses incurred in load, crew and lineman dispatching operations and maintenance pertaining to the distribution of electricity.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 657.1 Labour
- 657.2 Material & supplies used
- 657.3 Other expenses

659 Operation & Maintenance Station equipment expenses

This account should record the cost of labour, materials used and expense incurred in operation and maintenance of plant, the book cost of which is recorded in the account for "Station equipment" and the account for "Storage battery equipment".

This account should also record the cost of labour, materials used and expenses incurred in operation and maintenance of distribution line transformers.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

659.1 Labour

659.2 Material & supplies used

659.3 Other expenses

661 Operation & Maintenance Overhead line expenses

This account should record the cost of labour, materials used and expenses incurred in the operations and maintenance of overhead distribution line facilities, the book cost of which is recorded in the account for "Poles, towers and fixtures" and the account for "Overhead conductors and devices".

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

661.1 Labour

661.2 Material & supplies used

661.3 Other expenses

NOTE: Programs that extend the life or provide future benefit of the asset should be recorded to the associated capital accounts.

662 Operation & Maintenance Underground line expenses

This account shall include the cost of labour, materials used and expenses incurred in the operation and maintenance of underground distribution lines, the book cost of which is recorded in the account for "Underground conductors and devices".

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

662.1 Labour

662.2 Material & supplies used

662.3 Other expenses

NOTE: Programs that extend the life or provide future benefit of the asset will be recorded to the associated capital accounts.

NOTE: If the Utility owns storage battery equipment used for supplying electricity to customers in periods of emergency, the cost of operating and maintenance labour and of supplies, such as acid, gloves, hydrometers, thermometers, soda, automatic cell fillers, acid

proof shoes, etc., shall be included in this account. If significant in amount, a separate subdivision shall be maintained for such expenses.

663 Operation & Maintenance Street lighting and signal system expenses

This account should record the cost of labour, materials used and expenses incurred in the operation and maintenance of street lighting and signal system plant, the book cost of which is recorded in the account for "Street lighting and signal systems". Costs include:

- (a) The operation of street lighting and signal system plant which is owned or leased by the Utility; and
- (b) The operation and maintenance of such plant owned by customers where such work is done regularly as a part of the street lighting and signal system service.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 663.1 Labour
- 663.2 Material & supplies used
- 663.3 Other expenses

665 Operation & Maintenance Meter expenses

This account shall include the cost of labour, materials used and expenses incurred in the operation and maintenance of customer meters and associated equipment, the book cost of which is recorded in the account for "Conventional meters" and the account for "Automated meters".

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 665.1 Labour
- 665.2 Material & supplies used
- 665.3 Other expenses

NOTE: The cost of setting and testing of a meter is chargeable to utility plant account for "Conventional meters" and the account for "Automated meters".

667 Operation & Maintenance Customer installations expenses

This account shall include the cost of labour, materials used and expenses incurred in work on customer installations, in inspecting premises and in rendering services to customers.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 667.1 Labour
- 667.2 Material & supplies used

667.3 Other expenses

669 Operation & Maintenance Miscellaneous distribution expenses

This account should record the cost of labour, materials used and expenses incurred in distribution system operation and maintenance not provided for elsewhere.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

669.1 Labour

669.2 Material & supplies used

669.3 Other expenses

671 Operation & Maintenance servitude (right of way) payments

The expense associated with operating and maintaining distribution servitude (right of way) properties is the only expenditure to be accounted for within this account.

If payments cover property used for more than one function, such as production plant and transmission, or by more than one department, the payment should be apportioned to the appropriate account on an actual, or if necessary, a fully allocated cost basis.

The costs for the property when incurred by the Utility should be charged to the accounts appropriate for the expense, as if the property were owned.

673 Operation & Maintenance of structures

This account should record the cost of labour, materials used and expenses incurred in operation and maintenance of structures, the book cost of which is recorded in the account for "Structures and improvements".

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

673.1 Labour

673.2 Material & supplies used

673.3 Other expenses

681 Operation and Maintenance vegetation management

This account should record the cost of labour, materials used and expenses incurred in operation and maintenance of plant specially related to the control of trees, brush and general vegetation which may affect the safe and reliable operation of the distribution system.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 681.1 Labour
- 681.2 Material & supplies used
- 681.3 Other expenses

683 Operation & Maintenance IT support

This account should record the cost of labour, materials used and expenses incurred in operation and maintenance of owned or leased Information Technology (IT) systems which is assignable to distribution operations and is not provided for elsewhere.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 683.1 Labour
- 683.2 Material & supplies used
- 683.3 Other expenses

15 Customer Service, Sales, General & Administrative**15.1 Customer Account Expenses****901 Supervision**

This account should record the cost of labour and expenses incurred in the general direction and supervision of customer accounting and collecting activities. Direct supervision of a specific activity should be charged to the account for "Meter reading expenses" or the account for "Customer records and collection expenses", as appropriate.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

901.1 Labour

901.2 Other expenses

902 Meter reading expenses

This account should record the cost of labour, materials used and expenses incurred in reading customer meters, and determining consumption. These costs should include salaries and wages, stationery, postage, transportation, delivery expenses and the charges for contract work performed by other parties engaged in these functions.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

902.1 Labour

902.2 Material & supplies used

902.3 Other expenses

903 Customer records and collection expenses

This account should record all costs related to work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints. These costs should include salaries and wages, stationery, postage, delivery expense and the charges for contract work performed by other parties engaged in these functions.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

903.1 Labour

903.2 Material & supplies used

903.3 Other expenses

904 Uncollectible accounts

This account should be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to the account for "Accounts receivable impairments"—credit. Losses from uncollectible accounts shall be charged to the account for "Accounts receivable impairments".

905 Miscellaneous customer accounts expenses

This account should record the cost of labour, materials used and expenses incurred not provided for in other accounts.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

905.1 Labour

905.2 Material & supplies used

905.3 Other expenses

906 IT customer service

This account should record the cost of labour, materials used and expenses incurred the operation and maintenance of owned or leased Information Technology (IT) systems which is assignable to customer service operations covered under accounts 901 – 905 and not provided for in other accounts.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

906.1 Labour

906.2 Material & supplies used

906.3 Other expenses

15.2 Customer Service and Informational Expenses

907 Supervision

This account should record the cost of labour and expenses incurred in the general direction and supervision of customer service activities, the object of which is to encourage safe, efficient and economical use of the Utility's service. Direct supervision of a specific activity within customer service and informational expense classification should be charged to the account wherein the costs of such activity are included.

908 Customer assistance expenses

This account should the cost of labour, materials used and expenses incurred in field based activities which include promoting and encouraging safe, efficient and economical use of the Utility's service; these activities are not provided for in other accounts.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 908.1 Labour
- 908.2 Material & supplies used
- 908.3 Other expenses

909 Informational and instructional advertising expenses

This account shall include the cost of labour, materials used and expenses incurred in activities conducted by the corporate communications groups which primarily convey information to the public promoting and encouraging safe, efficient and economical use of the Utility's service.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 909.1 Labour
- 909.2 Material & supplies used
- 909.3 Other expenses

NOTE: Exclude from this account and charge to the account for "Miscellaneous general expenses", the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all expenses of a promotional, institutional, goodwill or political nature, which are includible in such accounts and the account for "Expenditures for certain civic, political and related activities".

910 Miscellaneous customer service and informational expenses

This account should record the cost of labour, materials used and expenses incurred in connection with customer service and informational activities which are not included in other customer information expense accounts.

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 910.1 Labour
- 910.2 Material & supplies used
- 910.3 Other expenses

15.3 Sales Expenses

916 Miscellaneous sales expenses

This account should record the cost of labour, materials used and expenses incurred in connection with sales activities, except merchandising, which are includible in the account for "Informational and instructional advertising expenses".

This account should be subdivided into the following sub accounts so as to keep track of cost of labour, consumables, other expenses, etc, separately.

- 916.1 Labour
- 916.2 Material & supplies used
- 916.3 Other expenses

15.4 Administrative and General Expenses

920 Administrative and general salaries

This account should record the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the Utility properly chargeable to utility operations and not chargeable directly to a particular operating function.

This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the Utility.

921 Office supplies and expenses

This account should record office supplies and expenses incurred in connection with the general administration of the Utility's operations, which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are included in the account for "Administrative and general salaries".

This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the Utility.

NOTE: Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group should be included in the appropriate account in such group. Further, general expenses which apply to the Utility as a whole rather than to a particular administrative function should be included in the account for "Miscellaneous general expenses".

922 Administrative expenses transferred - Credit

This account should be credited with administrative expenses recorded in the accounts for "Administrative and general salaries" and "Office supplies and expenses" which are transferred to construction costs or to non-utility accounts.

923 Outside services employed

This account should record the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It should also record the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered as an employee of the Utility.

This account should be so maintained as to permit ready summarization according to the nature of service and the person providing the service.

NOTE: Should exclude from this account inspection and brokerage fees and Commissions chargeable to other accounts or fees and expenses in connection with security issues, which should be recorded in the expenses of issuing securities.

924 Insurance premiums

This account should record the cost of insurance premiums.

Records should be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies should be credited to the accounts to which the insurance premiums were charged.

NOTE A: The cost of insurance should be charged to construction either directly or by transfer to construction work orders from this account.

NOTE B: The cost of insurance for the following classes of property shall be charged as indicated.

(1) Electric plant leased to others, to the account for "Expenses of electric plant leased to others".

(2) Non-utility property, to the account for "Revenue from non-utility operations".

NOTE C: The cost of labour and related supplies and expenses of administrative and general employees who are only incidentally engaged in property insurance work may be included in the accounts for "Administrative and general salaries", and "Office supplies and expenses", as appropriate.

925 Injuries and damages

This account should record the cost reserve accruals to protect the Utility against injuries and damages claims of employees or others, losses of such character not covered by insurance,

and expenses incurred in settlement of injuries and damages claims. It should also record the cost of labour and related supplies and expenses incurred in injuries and damages activities.

Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds should be credited to this account.

NOTE A: Payments to or on behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, shall be charged to the account for "Employee pensions and benefits.

NOTE B: The cost of injuries and damages or reserve accruals capitalized should be charged to construction directly or by transfer to construction work orders from this account.

NOTE C: Exclude from this account the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

NOTE D: The cost of labour and related supplies and expenses of administrative and general employees who are only incidentally engaged in injuries and damages activities may be included in the accounts for "Administrative and general salaries", and "Office supplies and expenses", as appropriate.

NOTE E: Recoveries from insurance companies or others for property damages should be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit should be to the appropriate account for accumulated provision for depreciation.

926 Employee pensions and benefits

The cost of pension and benefit expense as determined under prevailing GAAP should be recorded in this account.

Utilities should segregate costs for non-utility pensions and benefits expenses, and those amounts charged to construction, operations & maintenance and G&A accounts either through sub accounts or a credit to this account for that value.

928 Energy Regulator expenses

This account should record all third party expenses and payments for fees assessed against the Utility for regulatory proceedings. Costs will include levies and expenses of the Energy Regulator permissible under the Electricity Regulation Act.

NOTE: Any and all costs in excess of approved amounts by the Energy Regulator and all disallowed hearing costs would be charged to the account for "Energy Regulator Expenses Disallowed".

Amounts of Energy Regulatory expenses which by approval or direction of the Energy Regulator are to be spread over future periods should be charged to the account for "Miscellaneous deferred debits", and amortized by charges to this account.

NOTE A: Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of the Energy Regulator.

NOTE B: Do not include in this account amounts includible in the account for "Franchises and consents", "Unamortized debt expense".

930 General advertising expenses

This account should record the cost of labour, materials used, and expenses incurred in advertising and related activities, the cost of which by their content and purpose are not provided for elsewhere.

NOTE A: Properly includible in this account is the cost of advertising activities on a local or national basis of a good will or institutional nature, which is primarily designed to improve the image of the Utility or the industry, including advertisements which inform the public concerning matters affecting the company's operations, such as, the cost of providing service, the company's efforts to improve the quality of service, the company's efforts to improve and protect the environment, etc. Entries relating to advertising included in this account should contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message should be readily available.

NOTE B: Exclude from this account and include in the account for "Expenditures for certain civic, political and related activities", expenses for advertising activities, which are designed to lobby or solicit public support or the support of public officials in matters of a political nature.

931 Miscellaneous general expenses

This account should record the cost of labour and expenses incurred in connection with the general management of the Utility not provided for elsewhere.

932 Rents

This account should record rents properly includible in utility operating expenses for the property of others used, occupied, or operated in connection with utility operations other than head office rent. This account should record rents for retail offices and field offices. Exclude only those payments associated with operating and maintaining servitude (right of way) properties.

933 Head office rent

This account shall include rents properly includible in utility operating expenses for the property of others used, occupied, or operated in connection with the head office.

934 IT G & A expense

This account should record the compensation (salaries, and expenses) employees of the IT department related to general and administrative activities properly chargeable to utility operations for the provision of regular utility services and not chargeable directly to a particular operating function.

935 Maintenance of general plant

This account should record the cost assignable to customer accounts, sales and administrative and general functions of labour, materials used and expenses incurred in the maintenance of property, where the book cost is recorded in the account for "Structures and improvements", account for "Office furniture and equipment", account for "Computer hardware & voice and data network equipment", account for "Communication equipment", and account "Miscellaneous equipment".

Maintenance expenses on office furniture and equipment used other than in general, commercial and sales offices should be charged to the specific account under the following:

Power Generation (Hydro, Coal, Gas, Nuclear, etc respectively)
Transmission,
Distribution,

941 Energy Regulator expenses disallowed

This account should record all costs exceeding the Energy Regulator approved amounts and all disallowed costs in regards to third party expenses and payments made for fees assessed against the Utility for formal regulatory proceedings.

15.5 Load Management and Optimization Expenses

944 Load management & optimization

This account shall include all expenses properly includible in utility operating expenses, (except pay of regular employees only incidentally engaged in such work) incurred by the Utility in connection with activities to support administration and execution of the load settlement. These costs shall include salaries and wages stationery, postage, delivery expense and the charges for contract work performed by other parties engaged in these functions.

EXAMPLE ITEMS:

- Analyze, arbitrate and resolve disputes as they so arise, including payments made to the Energy Regulatory for fees, pay and expenses of agents, and employees, and related expenses of the formal Labour costs associated with the analysis / assessments.

- Staff costs and expenses of the arbitration group.

945 IT load management & optimization

This account shall include the cost of labour and expenses incurred in IT (Information Technology) activities to support load management & optimization transactions provisioned under agreements such as pooling or interconnection.

EXAMPLE Systems Supported:

- Interconnection measurement and tracking system
- Settlement profiling application
- Economic assessment modelling tools used thereto