

(d) The cost incurred by the lessee of additions and replacements to gas plant leased from others shall be accounted for as provided in Gas Plant Instruction.

5. Training Costs.

When it is necessary that employees be trained to specifically operate or maintain plant facilities, the related costs shall be accounted for as a current operating and maintenance expense. These expenses shall be charged to the appropriate functional accounts currently as they are incurred.

6. Labour, Benefits, Contractor Services and Other,

Licensees need to be able to provide the breakdown of all functions.

2 Account Numbering and Groupings

2.1 The account numbering system

The chart of accounts is organized in such a manner that the account numbers reflect four levels of details:

1. Type of activity – as specified in Section 21 (1)(c) of the Gas Act,
2. Type of Gas Activity – Network service or molecules under Gas Regulation 13 (1)
3. Category – as to align with SA GAAP/IFRS,
4. Sub category – to allow more level of detail for each category, as and when necessary.

The account number prescribed by RRM will consist of eight digits, made up of a two-digit activity code, a three digit gas spec code, a three digit category code and, where required, a three-digit subcategory cost. AA.GGG.CCC or AC.GGG.CCC.SSS

Classification by Activity

Activity Code (AA)	Activity
21	Transmission
22	Storage
23	Distribution
24	Trading
25	Liquefaction
26	Re-gasification
27	General Plant
28	Unclassified Plant

Classification by Gas Service/Network or Product (Gas Molecules)

Gas Code (GGG)	Gas type
080	Gas Pipeline Network Service
090	Gas product - Natural gas
095	Gas Product – Methane-rich gas
	etc

Classification by Category

Category Code (CCC)	Category of Account
100 – 199	Assets
200 – 274	Liabilities
275 – 299	Owners' equity
300 – 399	Detailed plant accounts
400 – 499	Income
500 – 599	Detailed Revenue Accounts
600 – 699	Detailed Operating and Maintenance Expense Accounts

Note:

- Detailed Plant Accounts (300-399) flow into Account 101 Plant in Service.
- Detailed Operating Revenue Accounts (500-599) flow into Account 451 Operating Revenues
- Detailed Operating Expense Account (600-699) flow into Account 452 Operating & Maintenance Account

In certain instances, numbers are skipped to allow for possible later expansion or to permit better coordination with the numbering system for other Licensee departments.

The account numbers as prefixed to account description should be treated as parts of the titles. If a licensee, for its own purposes, adopts a different account numbering system, then that should be done in adherence to the instructions prescribed in RRM Volume 1 in this respect.

3 Balance Sheet Chart of Accounts

3.1 ASSETS AND OTHER DEBITS

Current Assets

100	Cash and Cash Equivalents
105	Securities
110	Accounts Receivable
110.001	Trade Accounts Receivable--Network
110.002	Trade Accounts Receivable--Residential
110.003	Trade Accounts Receivable--Commercial and Industrial
110.004	Accounts Receivable--Other
110.005	Accounts receivable from affiliated companies
115	Accumulated Provision for Doubtful Debts
119	Interest and Dividends Receivable
120	Inventory
120.001	Plant Materials and Operating Supplies
120.002	Other Material and Supplies
120.003	Gas Stored--Available for Sale
120.004	Transmission Line Pack Gas
125	Prepayments
135	Other Current Assets

Deferred Debits

140	Unamortized Debt Discount and Expense
141	Unamortised Preference Share Expenses
142	Preliminary Surveys and Investigation Charges
145	Regulatory Assets

147	Other Deferred Debits
148	Accumulated Future Income Taxes

Non-Current Assets

171.001	Gas Plant in Service
171.002	Accumulated Depreciation--Gas Plant in Service
172.001	Gas Plant under Capital Leases
172.002	Accumulated Depreciation—Gas Plant under Capital leases
174.001	Gas Plant Leased to Others
174.002	Accumulated Depreciation--Gas Plant Leased to Others
175.001	Gas Plant Held for Future Use
175.002	Accumulated Depreciation--Gas Plant Held for Future Use
176.001	Gas Plant acquisition Adjustment
176.002	Accumulated Depreciation—Gas Plant Acquisition Adjustment
177.001	Gross value of Contributions and Grants-Credit
177.002	Accumulated Depreciation—Gross value of Contributions and Grants-Credit
178	Experimental Gas Plant - Unclassified
179	Gas Plant under Construction

Other Non-Current Assets & Investments

190.001	Other Plant (unregulated activity PPE)
190.002	Accumulated Depreciation--Other Plant (Unregulated Activity PPE)
191	Other Plant under Construction
192	Investment in Affiliated Companies
193	Other Investments/securities
195	Intangible Assets
195.001	Goodwill
195.002	Other Intangible Assets

3.2 LIABILITIES AND OTHER CREDITS**Current Liabilities**

200	Bank Overdraft
205	Accounts Payable
206	Account Payable to Affiliated Companies
210	Matured Short-Term and Long-Term Debt Due Within One-Year
212	Obligations Under Capital Leases – Current Portion
216	Interest Payable and Accrued
219	Customer deposits
219.001	Customer Deposits—Network
219.001	Customer Deposits—Residential

219.001	Customer Deposits---Commercial and Industrial
220	Dividends Payable
230	Accrued Income Taxes Payable
235	Other Current Liabilities

Deferred Credits

238	Unamortized Debt Premium and Expenses
239	Gross Value of Contributions & Grants/Customer Advances for Construction
240	Regulatory liabilities
241	Other deferred credits

Non-Current Liabilities

245	Provision for Pension and Benefits
255	Long-Term Debt--Bonds and other Long-term Debt
256	Long-Term Deb--Advances from Affiliated Companies
265	Other Non-Current Liabilities
265.001	Obligations under capital lease--non current
265.002	Accumulated provision for self insurance
265.003	Asset retirement obligations

Owners' Equity

275	Equity Issued
275.001	Ordinary shares issued
275.002	Preference shares issued
280	Contributed Surplus
285	Reserves including excess of appraisal value over depreciated plant cost
290	Retained Earnings

4 Gas Plant Accounts

4.1 Intangible Plant

- 301 Incorporation and organizational start-up
- 302 Franchises and consents
- 303 Miscellaneous intangible plant

4.2 Transmission Plant

- 21.080.304.001 Land
- 21.080.304.004 Land rights
- 21.080.305.001 Compressor Buildings, fixtures and improvements
- 21.080.316.001 Measuring and Regulating Structures and Improvements
- 21.080.317.001 Other Structures and Improvements
- 21.080.318.001 Mains
- 21.080.319.001 Compressor Equipment
- 21.080.320.001 Measuring and Regulating Equipment
- 21.080.321.001 Communication Structures and Equipment
- 21.080.322.001 Other Transmission Equipment
- 21.080.326 Base Pressure Gas

4.3 Storage Plant

- 22.080.304.001 Land
- 22.080.304.004 Land rights
- 22.080.305.001 Buildings, fixtures and improvements
- 22.080.319.001 Compressor Equipment
- 22.080.320.001 Measuring and Regulating Equipment
- 22.080.323.001 Wells and Gas-Holders-Storage
- 22.080.324.001 Wells and Gas-Holders-Storage Equipment
- 22.080.325.001 Field Lines
- 22.080.326 Base Pressure Gas
- 22.080.327.001 Other Gas Storage Equipment

4.4 Distribution Plant

- 23.080.304.001 Land
- 23.080.304.004 Land rights
- 23.080.305.001 Buildings, fixtures and improvements
- 23.080.318.001 Mains
- 23.080.319.001 Compressor Equipment
- 23.080.320.001 Measuring and Regulating Equipment
- 23.080.326 Base Pressure Gas

23.080.328.001	Services
23.080.329.001	Regulators and Meter Installations
23.080.330.001	Meters
23.080.331.001	Other Distribution equipment

4.5 Trading Plant

24.080.304.001	Land
24.080.304.004	Land rights
24.080.305.001	Buildings, fixtures and improvements
24.080.330.001	Meters

4.6 Liquefaction Plant

25.GGG.304.001	Land
25.GGG.304.004	Land rights
25.GGG.305.001	Buildings, fixtures and improvements
25.GGG.319.001	Compressor Equipment
25.GGG.320.001	Measuring and Regulating Equipment
25.GGG.326	Base Pressure Gas
25.GGG.331.001	Other liquefaction equipment

etc – TO BE DRAFTED AS MODUS OPERANDI BECOMES KNOWN

4.7 Re-gasification Plant

26.GGG.304.001	Land
26.GGG.304.004	Land rights
26.GGG.305.001	Buildings, fixtures and improvements
26.GGG.319.001	Compressor Equipment
26.GGG.320.001	Measuring and Regulating Equipment
26.GGG.326	Base Pressure Gas
26.GGG.331.001	Other re-gasification equipment

4.8 General Plant

27.GGG.304.001	Land
27.GGG.304.004	Land Rights
27.GGG.305.001	Buildings, Fixtures and Improvements
27.GGG.330.001	Office Furniture and Equipment
27.GGG.331.001	Computer Hardware and Voice & Data Network Equipment
27.GGG.331.003	Computer Software and Applications
27.GGG.332.001	Transportation Equipment, Fleet Vehicles
27.GGG.333.001	Tools and Work Equipment
27.GGG.334.001	Measurement and Testing Equipment
27.GGG.335.001	Heavy Equipment/Power Operated Equipment

27.GGG.336.001	Mobile Communication Structures and Equipment
27.GGG.337.001	Other Equipment
27.GGG.338.001	Other Tangible Property
27.GGG.339.001	Equipment of Customers' Premises

4.9 Transmission Plant Accumulated Depreciation

21.080.305.002	Compressor Buildings, fixtures and improvements
21.080.316.002	Measuring and Regulating Structures and Improvements
21.080.317.002	Other Structures and Improvements
21.080.318.002	Mains
21.080.319.002	Compressor Equipment
21.080.320.002	Measuring and Regulating Equipment
21.080.321.002	Communication Structures and Equipment
21.080.322.002	Other Transmission Equipment

4.10 Storage Plant Accumulated Depreciation

22.080.305.002	Buildings, fixtures and improvements
22.080.319.002	Compressor Equipment
22.080.320.002	Measuring and Regulating Equipment
22.080.323.002	Wells and Gas-Holders-Storage
22.080.324.002	Wells and Gas-Holders-Storage Equipment
22.080.325.002	Field Lines
22.080.326	Base Pressure Gas
22.080.327.002	Other Gas Storage Equipment

4.11 Distribution Plant Accumulated Depreciation

23.080.305.002	Buildings, fixtures and improvements
23.080.318.002	Mains
23.080.319.002	Compressor Equipment
23.080.320.002	Measuring and Regulating Equipment
23.080.328.002	Services
23.080.329.002	Regulators and Meter Installations
23.080.330.002	Meters
23.080.331.002	Other Distribution equipment

4.11 Trading Plant Accumulated Depreciation

24.090.305.002	Buildings, fixtures and improvements
24.090.330.002	Meters

4.12 Liquefaction Plant Accumulated Depreciation

25.GGG.305.002	Buildings, fixtures and improvements
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25.GGG.319.002	Compressor Equipment
25.GGG.320.002	Measuring and Regulating Equipment
25.GGG.331.002	Other liquefaction equipment

4.13 Re-gasification Plant Accumulated Depreciation

26.GGG.305.001	Buildings, fixtures and improvements
26.GGG.319.001	Compressor Equipment
26.GGG.320.001	Measuring and Regulating Equipment
26.GGG.331.001	Other re-gasification equipment

4.14 General Plant Accumulated Depreciation

27.GGG.304.002	Land
27.GGG.304.005	Land Rights
27.GGG.305.002	Buildings, Fixtures and Improvements
27.GGG.330.002	Office Furniture and Equipment
27.GGG.331.002	Computer Hardware and Voice & Data Network Equipment
27.GGG.331.004	Computer Software and Applications
27.GGG.332.002	Transportation Equipment, Fleet Vehicles
27.GGG.333.002	Tools and Work Equipment
27.GGG.334.002	Measurement and Testing Equipment
27.GGG.335.002	Heavy Equipment/Power Operated Equipment
27.GGG.336.002	Mobile Communication Structures and Equipment
27.GGG.337.002	Other Equipment
27.GGG.338.002	Other Tangible Property
27.GGG.339.002	Equipment of Customers' Premises

5 Income Statement Chart of Accounts

5.1 Operating Revenue & Expenses

451	Operating Revenues - Accounts 500 to 599
452	Operating and Maintenance Expense - Accounts 600 to 699
452	Depreciation
454	Amortization
455	Regulatory Debits
456	Regulatory Credits
457	Taxes other than Income Taxes, Licensed Operating Income
458	Income Taxes, Licensed Operating Income
459	Provision for Future Income Taxes
461	Revenue from Gas Plant Leased to Others
462	Expense for Gas Plant Leased from Others

5.2 Other Income and Deductions

A. Other Income

463	Revenue from Other Plant
464	Expense from Other Plant
467	Income from Investments/Interest, Dividend and Other Income
468	Share of Earnings of Affiliated Companies
469.001	Gain on Foreign Exchange
469.002	Loss on Foreign Exchange
470	Other Income
471	Allowance for Funds Used During Construction (Credit)

B. Other Income Deductions

472	Other Deductions
472.001	Donations
472.002	Life Insurance
472.003	Penalties
472.004	Expenditures for Certain Civic, Political and Related Activities
472.005	Other Deductions

5.3 Interest Charges

473	Interest on Long-Term Debt
474	Amortization of Debt Discount, Premium Expenses
475	Interest on Debt Due to Affiliated Companies
476	Short-Term Interest, Bank Charges and Other Interest Expense

5.4 Extraordinary Items

481	Extraordinary Income/Deductions – Regulated Plant
481.001	Gains on Disposition of Regulated Plant
481.002	Losses on Disposition of Regulated Plant
482	Other Extraordinary Income/Deductions
482.001	Other Extraordinary Income
482.002	Other Extraordinary Deductions
5.5	Retained Earnings
485	Balance transferred from Income
486	Prior Period Adjustment
489	Dividend Appropriations

6 Operating Revenue Accounts**6.1 Revenue for Services - Transmission**

- 500 Transmission of Gas for Others – Domestic
- 501 Transmission of Gas for Others – Export
- 502 Rent for Gas Plant
- 503 Miscellaneous Transmission Operating Revenues

6.2 Revenue for Services - Storage

- 510. Storage of Gas for Others – Domestic
- 511 Storage of Gas for Others – Export
- 512 Rent for Gas Plant
- 513 Miscellaneous Storage Operating Revenues

6.3 Liquefaction Revenues

- 515 Gas Liquefaction for Others – Domestic
- 516 Gas Liquefaction for Others – Export

6.4 Re-gasification Revenues

- 517 Re-gasification for Others – Domestic
- 518 Re-gasification for Others – Export

6.5 Revenue for Services - Distribution

- 520 Distribution of Gas for Others – Domestic
- 521 Distribution of Gas for Others – Export
- 522 Rent of Gas Plant
- 523 Miscellaneous Distribution Operating Revenues

6.6 Trading in Gas/Gas Sales Revenue

- 525 Gas Sales within South Africa
 - 525.001 Residential Sales - Class 1
 - 525.002 Residential Sales - Class 2
 - 525.003 Residential Sales - Class 3
 - 525.004 Residential Sales - Class 4
 - 525.005 Residential Sales - Class 5
 - 525.006 Residential Sales - Class 6
 - 525.007 Commercial and Industrial - Class 1
 - 525.008 Commercial and Industrial - Class 2
 - 525.009 Commercial and Industrial - Class 3
 - 525.010 Commercial and Industrial - Class 4

525.011	Commercial and Industrial - Class 5
525.012	Commercial and Industrial - Class 6
525.013	Sales to Affiliates
525.013	Other Gas Sales
526	Other Gas Sales - Other Customers under the Gas Agreement Dispensation
527	Export Gas Sales

NOTE A: The above accounts for distribution revenues only indicative, and may not be exhaustive. The Licensee should therefore endeavour to report distribution and/or trading revenues by customer classes and should assign account numbers within the prescribed range such that each customer class receives its own account number.

NOTE B: The Licensee should keep the records in sufficient detail as to be able to furnish the Energy Regulator the Volume and Average Prices for its customers consuming less than 10 million gigajoules per annum. The information should be in such detail as to enable the Energy Regulator to publish aggregated results by customer classes on a provincial basis.

6.7 Other Operating Revenues

528	Late Payments Penalties
529	Revenue from Service Work
530	Rent from Regulated Entity's Equipment of Customers' Premises
531	Miscellaneous Operating Revenue

Cost of Sales Items Included in Operating and Maintenance Accounts:

- Discounts
- Gas Purchases
- Cost of Network Services – Transmission, Distribution or Storage
- Unaccounted for Gas/Change in Stocks
- Other Fixed Charges
- Other Variable Charges

7 Operating and Maintenance (O&M) Expenses Accounts

7.1 Transmission O&M Expenses

601	Supervision
602	Transportation of Gas by Others
603	Communication
604	Pipe Lines
606	Compressor
607	Measuring and Regulating
608	Other Transmission Operations and Maintenance

7.2 Storage O&M Expenses

- 601 Supervision
- 606 Compressor
- 607 Measuring and Regulating
- 609 Non-Feasible Storage Project Costs
- 610 Wells and Gas-Holders Storage
- 611 Leases
- 612 Unaccounted for Gas
- 613 Field Line
- 614 Purification
- 615 Other Storage Operations and Maintenance

7.3 Distribution O&M Expenses

- 601 Supervision
- 606 Compressor
 - Structure and Improvements
- 607 Measuring and Regulating
 - Maintenance of Equipment at Customer's Premises
- 615 Load Dispatching
- 616 Meter and Regulator Work
- 617 Service Work
- 618 Mains and Services
- 619 Other Storage Operations and Maintenance

7.3 Gas Trading/Gas Supply O&M Expenses

- 620 Gas Purchases
- 621 Gas Supply – O&M
- 622 Exchange Gas
- 623 Gas Withdrawn from Storage
- 624 Gas Delivered to Storage (Credit)
- 625 Gas Used (Credit)

7.4 Liquefaction O&M Expenses

- 601 Supervision
- 606 Compressor
- 607 Measuring and Regulating
- 615 Other liquefaction Operations and Maintenance

7.5 Re-gasification O&M Expenses

- 601 Supervision
- 606 Decompression/Compressor

- 607 Measuring and Regulating
- 615 Other re-gasification Operations and Maintenance

- 7.6 General O&M Expenses**
- 603 Communication
- 627 System Operation, Maintenance and Engineering
- 628 Other General Operations and Maintenance
- 629 General Operations and Maintenance Transferred (Credit)

- 8 Customer Service, Sales, General & Admin Accounts**

- 8.1 Sales and Marketing—Operation**
- 635 Supervision
- 636 Advertising - Natural Gas Promotion
- 637 Demonstration and Selling Expenses
- 638 Expense (Revenue) From Merchandising, Jobbing and Contract Work
- 640 Advertising - Other
- 641 Other Sales Promotion

- 8.2 Customer Accounting—Operation**
- 645 Supervision
- 646 Customers' Contracts and Orders
- 647 Meter Reading
- 648 Customers' Billing and Accounting
- 649 Credit and Collection
- 650 Uncollectible Accounts
- 651 Other Customer Accounting

- 8.3 Administrative and General – Operation**
- 655 Administrative Expenses
- 656 Special Services
- 657 Insurance
- 658 Injuries and Damages
- 659 Employee Benefits
- 660 Other Administrative and General Expenses
- 661 Administrative and General Expenses Transferred - Credit

9 Text Pertaining to Current Assets Accounts

100 Cash and Cash Equivalents

This account should record; the amount of current cash funds, special deposits with fiscal agents or others for the payment of interest (sinking funds), special deposits with fiscal agents or others for the payment of dividends, deposits with fiscal agents or others for special purposes other than the payment of interest and dividends, book cost of investments, such as demand and time loans, bankers' acceptances, government investment certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

NOTE: Deposits for more than one year, which are not offset by current liabilities, should not be charged to this account but to the account for "Other investments".

This account should be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records should be kept of any pledged investments.

110 Accounts Receivable

This account should record the sum of all amounts recorded in all the account receivables sub-accounts.

110.001 Trade Accounts Receivable--Network

This sub-account should record all receivables due from Network services customers.

110.002 Trade Accounts Receivable--Residential

This sub-account should record all receivables due from Residential customers.

110.003 Trade Accounts Receivable--Commercial and Industrial

This sub-account should record all receivables due from Commercial and Industrial customers.

110.004 Accounts Receivable--Other

This sub-account should record all receivables due from other customers not includible in all other sub-accounts, such as those receivable for company officers and employees.

110.005 Accounts receivable from affiliated companies

This account should record receivables due, notes and drafts upon which affiliated companies are liable, and which mature and are expected to be paid in full not later than one year from the date of issue, together with any interest thereon. Items which do not bear a specified due date but which have been carried for more than twelve months and items which are not paid

within twelve months from due date should be transferred to the account for, "Investment in affiliated companies".

115 Accumulated Provision for Doubtful Debts

This account should be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges should be made to, Uncollectible accounts, for amounts applicable to regulated operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-offs of account receivable for each regulated division.

This account should be subdivided to show the provision applicable to the following classes of accounts receivable:

- (1) Regulated activity by customer class as appropriate.
- (2) Officers and employees.
- (3) Others

119 Interest and Dividends Receivable

This account should record:

- (a) the amount of interest accrued to the date of the balance sheet on bonds owned,
 - (b) the amount of interest accrued to the date of the balance sheet on loans made, and
 - (c) the amounts of dividends declared on shares owned,
- except where the interest or dividend receivable is from an affiliated company.

Note: No dividends or other returns on securities issued or assumed by the accounting company should be included in this account.

120 Inventory

This account is the sum of the rollups recorded in the inventory sub-accounts

120.001 Plant Materials and Operating Supplies

This account should record the cost of materials purchased primarily for use in the Piped-gas business for construction, operation and maintenance purposes. This account should include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance or accumulated depreciation provision, respectively.

Materials and supplies issued should be credited to this account and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative average and first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

120.002 Other Material and Supplies

This account should record the book cost of materials and supplies held primarily for non-piped-gas operations. The principles prescribed in accounting for Plant Materials and Operating Supplies shall be observed in respect to items carried in this account.

120.003 Gas Stored—Available for Sale

This account should record the book cost of gas purchased or produced and stored and held for use in meeting gas service requirements of customers. The principles prescribed in accounting for Plant Materials and Operating Supplies shall be observed in respect to items carried in this account.

Deliveries to or withdrawals from storage of gas held for use to satisfy gas requirements of customers shall be debited or credited to this account, as appropriate.

120.004 Transmission Line Pack Gas

This account should record the cost of gas owned by the company in its own pipelines or in non-owned pipelines and used to maintain the line pressure required for the transmission of gas. The principles prescribed in accounting for Plant Materials and Operating Supplies shall be observed in respect to items carried in this account.

125 Prepayments

This account should record amounts representing prepaid gas, insurance, rents, taxes (excluding income tax instalments which are included in the account for "Current income taxes payable"), interest and miscellaneous expenses, and should be kept or supported in such manner as to disclose the amount of each class of prepayment.

As the periods covered by such prepayments expire, credit this account and debit the appropriate account with the amount applicable to the period.

135 Other Current Assets

This account should record the book cost of all other current and accrued assets not provided for elsewhere, appropriately designated and supported so as to show the nature of each asset included herein.

Deferred Debits**140 Unamortized Debt Discount and Expense**

This account should record expenses related to the issuance or assumption of debt securities. Amounts recorded in this account should be amortized over the life of each respective issue under a plan which will distribute the amount equitably over the life of the security. The amortization should be on a monthly basis, and the amounts thereof shall be

charged to the account for "Short term interest and other interest expense", or the account for "Interest on long-term debt" as appropriate.

141 Unamortised Preference Share Expenses

This account should record expenses related to the issuance of preference shares. Amounts recorded in this account should be amortized over the life of each respective issue under a plan which will distribute the amount equitably over the life of the security. The Amortization should be on a monthly basis, and the amounts thereof should be charged to the account for "Short term interest and other interest expense", or the account for "Interest on long-term debt" as appropriate.

142 Preliminary Survey and Investigation Charges

This account should be debited with all expenditures for preliminary surveys, plans, investigations and similar items made for the purpose of determining the feasibility of projects for gas pipeline service, and with the costs associated with applications for certificates of public convenience and necessity, regulatory hearings, the acquisition of options to purchase land, land rights, easements and similar items for use in contemplated projects.

Where, as a result of these preliminary survey and investigation expenditures, a plant is acquired or constructed, this account should be credited and the appropriate accounts debited with the costs related to that plant.

Where the project for which these charges are incurred is not proceeded with, the costs included in this account should be transferred to the account for Other Income Deductions, unless the amount is material, in which case the amount should be debited to account for Extraordinary Income Deductions.

Records supporting entries to this account should be maintained in a manner that will enable complete information to be available as to the nature and purpose of the expenditures.

145 Regulatory Assets

This account shall include the amounts of regulatory-created assets, not included in other accounts, resulting from the ratemaking actions of the Energy Regulator.

The amounts recorded in this account are to be established by those charges which would have been included in net income, determinations in the current period under the general accounting norms are being deferred and to be included in a different period(s) for purposes of developing rates that the Licensee is authorized to charge for its regulated services. The amounts recorded in this account are generally to be charged, concurrently with the recovery of the amounts in rates, to the same account that would have been charged if included in income when incurred.

If rate recovery of all or part of an amount included in this account is disallowed, the disallowed amount should be charged to the account for "Other deductions", or account "Extraordinary deductions", in the year of the disallowance.

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

147 Other Deferred Debits

This account should record all debits not provided for elsewhere, such as other work in progress that may not be included in the Gas Plant under Construction or Other Plant under Construction, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization and items the proper final disposition of which is uncertain.

The records supporting the entries to this account should be so kept that the Licensee can furnish full information as to each deferred debit included herein.

148 Accumulated Future Income Taxes

This deferred debit account is provided to record future income taxes. An equal amount is charged to the account for "Provision for future income taxes, regulated operating income.

10 Text Pertaining to Non-Current Assets Accounts

171.001 Gas Plant in Service

This account should contain the original cost of gas plant, included in accounts 301 to 399, prescribed herein, owned and used by the licensee in its Piped-gas operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the licensee but held by nominees.

172.001 Gas Plant under Capital Leases

This account should contain the amount recorded under capital leases for plant leased from others and used by the Licensee in its piped-gas operations.

The Piped-gas property included in this account shall be classified separately according to the detailed accounts 301 to 399 prescribed for Piped-gas plant in service.

Records should be maintained with respect to each capital lease reflecting:

(1) name of lessor, (2) basic details of lease, (3) terminal date, (4) original cost or fair market value of property leased, (5) future minimum lease payments, (6) executory costs, (7) present

value of minimum lease payments, (8) the amount representing interest and the interest rate used, and (9) expenses paid.

174.001 Gas Plant Leased to Others

This account should record the original cost of gas plant owned by the licensee, but leased to others as operating units or systems, where the lessee has exclusive possession.

The property included in this account shall be classified according to the detailed accounts (301 to 399) prescribed for gas plant in service and this account shall be maintained in such detail as though the property were used by the owner in its licensed operations.

175.001 Gas Plant Held for Future Use

This account shall include the original cost of gas plant owned and held for future use in Piped-gas service under a definite plan for such use, to include: (1) Property acquired but never used by the licensee in Piped-gas service, but held for such service in the future under a definite plan, and (2) Property previously used by the licensee in service, but retired or mothballed from such service and held pending its reuse in the future, under a definite plan, in Piped-gas service.

The property included in this account should be classified in a manner similar to the detail accounts 301 to 399 prescribed for gas plant in service and the account should be maintained in such detail as though the property were in service.

NOTE: Materials and supplies, and all assets held in reserve, and normal spare capacity of plant in service should not be included in this account.

176.001 Gas Plant acquisition Adjustment

This account should record the difference between:

- (1) The cost to the accounting licensee of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and
- (2) The original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting licensee at the time of acquisition to accumulated provisions for Depreciation and Amortization and contributions in aid of construction with respect to such property.

Debit amounts recorded in this account related to plant and land acquisition may be amortized to the account, "Amortization of gas plant acquisition adjustments", over a period not longer than the estimated remaining life of the properties to which such amounts relates.

Credit amounts recorded in this account should be accounted for as directed by the Energy Regulator.

177.001 Gross Value of Contributions and Grants-Credit

This account should record amounts relating to contributions or grants in cash, services or property from governments or government agencies, corporations, individuals and others received in aid of construction or for acquisition of fixed assets.

This account should be maintained so that the licensee can supply information as to the purpose of each contribution or grant, the conditions, if any, on which it was made, the amount of contributions or grants from governments or government agencies, corporations, individuals and others and the amount applicable to each Gas Plant in Service account.

178 Experimental Gas Plant - Unclassified

This account should record the cost of gas plant which was constructed as a research, development, and demonstration plant and due to the nature of the plant it is deemed desirable to operate it for a period of time in an experimental status.

Amounts in this account should be transferred to the "Gas plant in service" account, or "Non-regulated property" account as appropriate when the project is no longer considered as experimental.

179 Gas Plant under Construction

This account should record the cost of construction of gas plant not yet placed in service, including

- (a) the cost of land acquired for such projects;
- (b) unapplied construction materials and supplies;
- (c) taxes during construction; and
- (d) other elements of construction cost.

Expenditures on research, development, and demonstration projects for construction of regulated facilities are to be included in a separate subdivision in this account. Records must be maintained to show separately each project along with complete detail of the nature and purpose of the research, development, and demonstration project together with the related costs.

When the construction of any plant included in this account has been completed and the plant has been placed in service, the applicable cost shall be credited to this account and debited to the account for Gas Plant in Service or Gas Plant Leased to Others or Gas Plant Held for Future Use or Leasehold Improvements, as appropriate.

Accumulated Depreciation – Gas Plant

NOTE A: At the time of retirement of depreciable gas plant, the relevant account should be charged with the book cost of the property retired and the cost of removal and should be credited with the salvage value and any other amounts recovered, such as insurance or self insurance.

NOTE B: When transfers of plant are made from one gas plant account to another, or from or to another regulated department, or from or to non-regulated property accounts, any related amounts carried in the accounts for accumulated provision for amortization should be transferred but segregation of such amounts should be maintained.

171.002 Accumulated Depreciation--Gas Plant in Service

This account should record amounts concurrently charged to the Depreciation expense account for current depreciation expense as well as accumulated depreciation applicable to gas plant in service.

172.002 Accumulated Depreciation—Gas Plant under Capital leases

This account should record amounts concurrently charged to the Depreciation expense account for current depreciation expense as well as accumulated depreciation applicable to gas plant under capital leases.

174.002 Accumulated Depreciation--Gas Plant Leased to Others

This account should record amounts concurrently charged to the Depreciation expense account for current depreciation expense as well as accumulated depreciation applicable to gas plant leased to others.

175.002 Accumulated Depreciation--Gas Plant Held for Future Use

This account should record amounts concurrently charged to the Depreciation expense account for current depreciation expense as well as accumulated depreciation applicable to gas plant held for future use.

176.002 Accumulated Amortization--Gas Plant Acquisition Adjustment

This account should be credited or debited with amounts which are recorded in the account, "Amortization of Gas plant acquisition adjustments" for the purpose of providing for the extinguishment of amounts in the account "Gas plant acquisition adjustments", in instances where the amortization of that account is not being made by direct write-off of the account.

177.002 Accumulated Depreciation-Gross Value of Contributions and Grants-Cr

This account should be credited with the total amount charged to the account, "Depreciation expense", for the current Amortization of customer contributions, or contributions in aid of construction. Where applicable, this should be tracked by customer classes.

Other Non-Current Assets & Investments

190.001 Other Plant (unregulated activity PPE)

This account should record the book cost of land, structures, equipment, or other tangible or intangible property owned by the licensee, but not used in Piped-gas service and not included in the account for Gas plant held for future use.

This account should also include the amount recorded under capital leases for property leased from others and used by the licensee in its non-regulated operations.

Where other plant is retired, from service, this account shall be credited with the cost of the plant retired.

190.002 Accumulated Depreciation--Other Plant (Unregulated Activity PPE)

This account should record amounts concurrently charged to the Expenses of other plant account for current depreciation expense as well as accumulated depreciation applicable to other plant.

At the time of retirement of depreciable other plant, this account should be debited with the book cost of the property retired and the cost of removal and should be credited with the salvage value and any other amounts recovered, such as insurance or self insurance.

191 Other Plant under Construction

This account should record the cost of construction of plant other than plant under construction that may be included in the account for Gas Plant Under Construction.

192 Investment in Affiliated Companies

This account should record the cost of investments in securities issued or assumed by affiliated companies and investment advances to such companies, including interest accrued thereon when such interest is not subject to current settlement plus the equity in undistributed earnings or losses of such subsidiary companies since acquisition. This account shall be credited with any dividends declared by such affiliated companies.

This account should be maintained in such a manner as to show separately for each affiliate:

- (1) the cost of such investments in the securities of the affiliate at the time of acquisition;
- (2) the amount of equity in the affiliate's undistributed net earnings or net losses since acquisition;

(3) advances or loans to such subsidiary; and full particulars regarding any such investments that are pledged.

193 Other Investments/securities

This account should record the book cost of investments in securities issued or assumed by non-affiliated companies, investment advances to such companies, and any investments not accounted for elsewhere. This account should also include unrealized holding gains and losses on trading and available-for-sale types of security investments.

The records should be maintained in such manner as to show the amount of each investment and the investment advances to each person. Securities held in special deposits or in special funds shall be included in appropriate deposit or fund accounts.

195 Intangible Assets

This account is the sum/rollup of amounts recorded in the good will as well as other intangible assets sub-accounts

195.001 Goodwill

This account should record any other amounts not includible in the account for Plant acquisition adjustment, representing price paid in excess of the book value of assets acquired by the accounting licensee.

195.002 Other Intangible Assets

This account should record expenditure incidental to organizing a company, such as all fees paid to the Registrar of Companies for the privilege of incorporation, legal fee and other similar items. The amounts should be amortized or otherwise disposed of as the Energy Regulator may approve. It should also include other intangible assets not provided for elsewhere.

11 Text Pertaining to Current Liabilities & Deferred Credits

Current Liabilities

200 Bank Overdraft

This account should record amounts owed to financial institutions as a result of overdrawing a company's account and lines of credit payable on demand.

205 Accounts Payable

This account should record all amounts payable by the licensee within one year, which are not provided for in other accounts. Examples that are to be included in this account are: Amounts 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 licensee but invoices have not been received at the end of the accounting period.

206 Account Payable to Affiliated Companies

These accounts should record amounts owing to affiliates 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.

210 Matured (Short-Term and Long-Term) Debt Due Within One-Year

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.

212 Obligations under Capital Leases – Current Portion

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-regulated property".

216 Interest Payable and Accrued

This account shall be credited with interest due or accrued on

- (a) notes payable,
- (b) bank overdrafts and loans, and
- (c) long-term debt and other obligations,

other than such interest payable to affiliated companies.

219 Customer deposits

This account should record all amounts deposited with the licensee by customers as security for the payment of bills. This account should be subdivided into the following sub-accounts, as appropriate:

219.001	Customer Deposits—Network
219.001	Customer Deposits—Residential
219.001	Customer Deposits—Commercial and Industrial

230 Accrued 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.

220 Dividends Payable

This account shall include dividends declared on capital stock and not yet paid by a company other than dividends payable to affiliated companies.

235 Other Current 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. An example of items to record in this account is the taxes collected through payroll deductions or otherwise pending transmittal to the proper taxing authority.

Deferred Credits**238 Unamortized Debt Premium and Expenses**

This account should record the excess of the cash value of consideration received over the face value upon the issuance or assumption of long-term debt securities.