

May 8, 2006

**UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR PUBLIC UTILITIES AND LICENSEES
SUBJECT TO THE PROVISIONS OF THE ALBERTA ENERGY AND UTILITIES BOARD ACT, THE
ELECTRIC UTILITIES ACT, THE PUBLIC UTILITIES BOARD ACT and THE HYDRO & ELECTRIC
ENERGY ACT OF ALBERTA**

AUTHORITY: Alberta Energy Utilities Board (AEUB or Board)

EFFECTIVE DATE NOTE: To be determined

This system of accounts supersedes the system of accounts utilized by licensees pursuant to the Alberta Energy and Utilities Board Act (EUB Act), the Electric Utilities Act (EUA), the Hydro & Electric Energy Act (HEEA) and the Public Utilities Board Act (PUB Act).

Applicability of Uniform System of Accounts: Subject to any Board accounting requirements under the EUB Act, the EUA, the PUB Act, the HEEA, and as noted in General Instruction 1, this system of accounts is applicable in principle to all licensees engaged in the transmission (including any associated isolated generation) or distribution of electric energy, unless exempted by the AEUB,

The specific quoted CICA Handbook sections provided in the Uniform System of Accounts are for reference purposes only. All relevant guidance in the CICA Handbook applies to each section and/or account of the Uniform System of Accounts.

All licensees engaged in the transmission (including any associated isolated generation) or distribution of electric energy are advised to use the Uniform System of Accounts in conjunction with the CICA Handbook to determine appropriate accounting policies and practices giving due regard for the need to reflect Board Decisions or Orders arising from the regulatory process.

If a licensee adopts an accounting policy or practice that is different than one prescribed by this Uniform System of Accounts, the licensee will disclose the accounting policy or practice as part of any tariff application to the Board.

Any allocations of plant account balances required by each Utility to conform to the Uniform System of Accounts will be dealt with in the Utility's initial filing under this Uniform System of Accounts. Once the Utility's initial filing is approved by the Board, further submissions for review by the Board will not be required.

Definitions

When used in this Uniform System of Accounts:

1. *Accounts* means the accounts prescribed in this Uniform System of Accounts.
2. *Actually Issued* as applied to securities issued or assumed by the Utility means those securities which have been sold to bona fide purchasers for a valuable consideration, those securities issued as dividends on stock, or those securities which have been issued in accordance with contractual requirements directed to trustees of sinking funds.
3. *Actually Outstanding*, as applied to securities issued or assumed by the Utility means those securities which have been actually issued and are neither retired nor held by or for the Utility; provided, however, that securities held by trustees shall be considered as Actually Outstanding.
4. *Amortization* means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.
5. A. *Associated (Affiliated) Company (ies)* means the following with respect to any Utility:
 - 1) an "affiliate" as defined in the Business Corporations Act (BCA) of Alberta, as amended from time to time;
 - 2) a unit or division within the Utility;
 - 3) any two body corporate that are affiliated with the same utility are deemed to affiliated with

each other;

- 4) a partnership, joint venture, or person in which the Utility or any body corporate referred to in 3) above has a controlling interest or that is otherwise subject to the control of the Utility or such body corporate;
- 5) any partnership, joint venture or person deemed by the Alberta Energy Utilities Board to be an affiliate of the Utility for the purposes of the Uniform System of Accounts; and
- 6) an agent or other person acting on behalf of any body corporate, operating division, partnership, joint venture or person referred to in clause 3) and 5) above.

B. *Control*, (including the terms *Controlling*, *Controlled By*, and *Under Common Control With*) means a corporate body is controlled within the meaning of section 2(2) of the BCA, as amended from time to time.

6. *Board* means the Alberta Energy and Utilities Board.

7. *Book Cost* means the amount at which property is recorded in the Accounts without deduction of related provisions for accrued Depreciation, Amortization, or for other purposes.

8. *CICA Handbook* means the handbook published by the Canadian Institute of Chartered Accountants, as amended from time to time.

9. *Cost* means the amount of money actually paid for property or services. When the consideration given is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of common stock in a merger, the value of such consideration shall be determined on a cash basis.

10. *Cost of Removal* means the cost of demolishing, dismantling, tearing down or otherwise removing electric plant, including the cost of transportation and handling incidental thereto. It does not include the cost of removal activities associated with asset retirement obligations that are capitalized as part of the tangible long-lived assets that give rise to the obligation. (*See* General Instruction 21)

11. *Debt Expense* means all expenses in connection with the issuance and initial sale of evidences of debt, including but not limited to fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid to underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

12. *Depreciation* as applied to depreciable electric plant means the loss in service value not restored by current maintenance incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the Utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

13. *Discount* as applied to the securities issued or assumed by the Utility, means the excess of the par (stated value of no-par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

14. *Investment Advances* means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

15. *Lease Capital* means a lease of property used in utility or non-utility operations, per CICA Handbook Section 3065 definitions.

16. *Lease operating* means a lease of property used in utility or non-utility operations, per CICA Handbook Section 3065 definitions.

17. *Licensee* means any Utility, licensed under the provisions of the Alberta Electric Utilities Act and Hydro & Electric Energy Act, subject to the Board's accounting requirements under the terms of the license.

18. *Net Salvage Value* means the salvage value of property retired less the cost of removal.

19. *Nominally Issued* as applied to securities issued or assumed by the Utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the Utility, but which have not been sold, or issued direct to trustees of sinking funds in accordance with contractual requirements.

20. *Nominally Outstanding* as applied to securities issued or assumed by the Utility, means those which, after being actually issued, have been reacquired by or for the Utility under circumstances which require them to be considered as held alive and not retired, provided, however, that securities held by trustees shall be considered as actually outstanding.

21. *Original Cost* as applied to electric plant, means the cost of such property to the person first devoting it to public service.

22. *Person* means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

23. *Premium* as applied to securities issued or assumed by the Utility, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face value and interest or dividends accrued at the date of sale.

24. *Province* means a Province of Canada and any organized Territory of Canada.

25. *Public Utility* means any person who owns or operates electric facilities subject to the jurisdiction of the Board..

26-5. *Regulatory Assets and Liabilities* are assets and liabilities that result from rate actions of regulatory agencies. Regulatory assets and liabilities arise from specific revenues, expenses, gains, or losses that would have been included in net income determination in one period under the general requirements of the Uniform System of Accounts but for it being probable:

- A. that such items will be included in a different period(s) for purposes of developing the rates the Utility is authorized to charge for its utility services; or
- B. in the case of regulatory liabilities, that refund to customers, not provided for in other accounts, will be required.

27. *Replacing* or *Replacement* when not otherwise indicated in the context, means the construction or installation of electric plant in place of property retired, together with the removal of the property retired.

28. *Research Development and Demonstration* (RD&D) means expenditures incurred by a Public Utility and Licensees either directly or through another person or organization (such as a research institute, industry association, foundation, university, engineering company or similar contractor) in pursuing research, development, and demonstration activities as defined by the CICA Handbook Section 3450 and be treated for accounting purposes as prescribed therein. Generally RD&D expenditures would typically include the following:

A. Research:

- 1) laboratory research aimed at discovery of new knowledge.
- 2) searching for applications of new research findings or other knowledge.
- 3) conceptual formulation and design of possible product or process alternatives.

B. Development:

- 1) testing in search for, or evaluation of, product or process alternatives.

2) design, construction, and testing of pre-production prototypes and models.

3) design of tools, jigs, molds and dies involving new technology.

29. *Retained Earnings* means the accumulated net income of the Utility less distribution to stockholders and transfers to other capital accounts.

30. *Salvage Value* means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

31. *Service Life* means the time between the date electric plant is included in electric plant in service, or electric plant leased to others, and the date of its retirement. If Depreciation is accounted for on a production basis rather than on a time basis, then Service Life should be measured in terms of the appropriate unit of production.

32. *Service Value* means the difference between original cost and net salvage value of electric plant.

33. *Subsidiary Company* shall have the meaning ascribed thereto in section 2(4) of the BCA, as amended from time to time.

34. *Uniform System of Accounts* means the system of Accounts to be filed by a Utility as set out in this Directive.

35. *Utility* means any Public Utility or Licensee to which this system of accounts is applicable.

General Instructions

1. Utilities Governed by Uniform System of Accounts.

For the purpose of applying the system of accounts prescribed by the Board, all Utilities as at the inception date of ●, are required to follow this system of accounts except those Utilities that are exempted by the Alberta Energy Utilities Board.

2. Records.

- A. Each Utility shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to readily furnish full information as to any item included in any Account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.
- B. The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.
- C. No Utility shall destroy any such books or records unless the destruction thereof is permitted by rules and regulations of the Board.
- D. In addition to prescribed Accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any accounts, may be kept, provided the integrity of the prescribed Account is not impaired.
- E. All amounts included in the Accounts prescribed herein for electric plant and operating expenses and any payments disallowed by the Board shall be tracked separately within each Account.
- F. The arrangement or sequence of the Accounts prescribed herein shall not be controlling as to the arrangement or sequence in report forms which may be prescribed by the Board.

3. Numbering System.

- A. The Account numbering plan used herein consists of a system of three-digit whole numbers as follows:
- 100–199 Assets and other debits
 - 200–299 Liabilities and other credits
 - 300–399 Plant accounts
 - 400–432, 434–435 Income accounts
 - 440–459 Revenue accounts
 - 500–599 Production, transmission and distribution expenses
 - 900–949 Customer accounts, customer service and informational, sales, and general and administrative expenses
- B. In certain instances, numbers have been skipped in order to allow for possible later expansion or to permit better coordination with the numbering system for other utility departments.
- C. The numbers prefixed to account titles are to be considered as parts of the titles. Each Utility, however, may adopt for its own purposes a different system of account numbers (see also General Instruction 2D) provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts and in the various sources of original entry; however, if a Utility uses a different group of account numbers and it is not practicable to show the prescribed account numbers in the various sources of original entry, such reference to the prescribed account numbers may be omitted from the various sources of original entry. Moreover, each Utility using different account numbers for its own purposes shall keep readily available a list of such account numbers which it uses and a reconciliation of such account numbers with the account numbers provided herein. It is intended that the Utility's records shall be so kept as to permit ready analysis by prescribed accounts (by direct reference to sources of original entry to the extent practicable) and to permit preparation of financial and operating statements directly from such records at the end of each accounting period according to the prescribed accounts.

4. *Accounting Period.*

Each Utility shall keep its books on a monthly basis so that for each month all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the Utility. Amounts applicable or assignable to specific Utility departments shall be so segregated monthly. Each Utility shall close its books at the end of each calendar year unless otherwise authorized by the Board.

5. *Submittal of Questions.*

To maintain uniformity of accounting, Utilities shall submit questions of doubtful interpretation to the Board for consideration and decision.

6. *Item Lists.*

Lists of *example items* appearing in the texts of the Accounts or elsewhere in this Directive are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the Account mentioned only when the text of the Account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the Accounts.

7. *Extraordinary Items.*

Extraordinary items are to be treated as defined by the CICA Handbook Section 3480, (See Account 434, Extraordinary income, and Account 435, Extraordinary deductions)

7.1 *Prior period items.*

Utilities will account for prior period adjustments in accordance with the guidelines set out within the CICA Handbook Section 1506.

8. *Unaudited Items.*

Whenever a financial statement is required by the Board, if it is known that a transaction has occurred which affects the Accounts but the amount involved in the transaction and its effect upon the Accounts

cannot be determined with absolute accuracy, the amount shall be estimated and such estimated amount included in the proper Accounts. The Utility is not required to anticipate minor items which would not appreciably affect the Accounts.

9. Distribution of Pay and Expenses of Employees.

The charges to electric plant, operating expense and other Accounts for services and expenses of employees engaged in activities chargeable to various Accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

10. Payroll Distribution.

Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various Accounts will be readily available.

Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labor charged initially to clearing accounts so that the total labor cost may be classified among construction, cost of removal, electric operating functions (hydraulic generation, transmission, distribution, etc.) and non-utility operations.

11. Accounting to be on Accrual Basis.

- A. The Utility is required to keep its Accounts on an accrual basis. This requires the inclusion in its Accounts of all known transactions of appreciable amount which affect the Accounts. If bills covering such transactions have not been received or rendered, the amounts shall be estimated and appropriate adjustments made when the bills are received.
- B. When payments are made in advance for items such as insurance, rents, taxes or interest, the amount applicable to future periods shall be charged to Account 165, Prepayments, and spread over the periods to which applicable by credits to Account 165, and charges to the Accounts appropriate for the expenditure.

12. Accounting for Other Departments.

If the Utility also operates other utility departments, such as gas, water, etc., it shall keep such Accounts for the other departments as may be prescribed by proper authority and in the absence of prescribed Accounts, it shall keep such Accounts as are proper or necessary to reflect the results of operating each such department. It is not intended that proprietary and similar accounts which apply to the Utility as a whole shall be departmentalized.

13. Transactions With Associated Companies.

Each Utility shall keep its accounts and records so as to be able to furnish accurately and expeditiously statements of all transactions with Associated Companies. The statements may be required to show the general nature of the transactions, the amounts involved therein and the amounts included in each Account prescribed herein with respect to such transactions. Transactions with Associated Companies shall be recorded in the appropriate Accounts for transactions of the same nature. Nothing herein contained, however, shall be construed as restraining the Utility from subdividing Accounts for the purpose of recording separately transactions with Associated Companies.

14. Contingent Assets and Liabilities.

Contingent assets represent a possible source of value to the Utility contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may under certain conditions become obligations of the Utility but which are neither direct nor assumed liabilities at the date of the balance sheet. Utilities will follow practices and guidelines as set out by the CICA Handbook Section 3290 for accounting treatment.

15. Long-Term Debt and Preferred Shares: Premium, Discount and Expense, and Gain or Loss on Reacquisition.

A separate premium, discount and expense Account shall be maintained for each class and series of long-term debt or preferred shares issued or assumed by the Utility. Premiums, discounts, gains or losses and their related tax impacts resulting from reacquisition transactions shall be accounted for and disclosed in accordance with guidelines prescribed by the CICA Handbook Sections 3070, 3210, and 3860.

16. *Income Taxes.*

There are four options which may be used by Utilities in determining Income Taxes for rate setting purposes:

1. The Flowthrough Method – Under this method, the Utility maximizes all allowed deductions for income tax, and only those income taxes currently payable are included in customer rates.
2. Future Tax Liability Method – Under this method, the Utility follows the accounting treatment prescribed by the CICA Handbook Section 3465.
3. Normalized – All Taxes Paid – Under this method, the Utility only claims Capital Cost Allowance to offset all timing differences. All taxes currently payable are included in revenue requirement.
4. Any other methodology approved by the Board.

Each Utility must disclose the methodology utilized in its rate application.

17. *Criteria for classifying and accounting for leases.*

The CICA Handbook Section 3065 outlines criterion and requirements for accounting treatment of operating and capital leases. The Utilities will prescribe to the requirements outlined therein.

18. *Depreciation Accounting.*

- A. *Method.* Utilities must use a method of Depreciation that allocates in a systematic and rational manner the Service Value of depreciable property over the Service Life of the property.
- B. *Service lives.* Estimated useful Service Lives of depreciable property must be supported by engineering, economic, or other depreciation studies.
- C. *Rate.* Utilities must use percentage rates of Depreciation that are based on a method of Depreciation that allocates in a systematic and rational manner the Service Value of depreciable property to the Service Life of the property. Where composite Depreciation rates are used, they should be based on the weighted average estimated useful service lives of the depreciable property comprising the composite group.

19. *Accounting for other comprehensive income.*

Utilities shall account and disclose items of other comprehensive income as prescribed by the CICA Handbook Section 1530. Examples of categories of other comprehensive income include foreign currency items, minimum pension liability adjustments, unrealized gains and losses on available-for-sale type securities and cash flow hedge amounts.

20. *Accounting for derivative instruments and hedging activities.*

Utilities shall recognize derivative instruments as either assets or liabilities in the financial statements and apply accounting treatment and disclosure requirements as prescribed by the CICA Handbook Sections 1530, 3855, 3861, and 3865.

21. *Accounting for asset retirement obligations.*

- A. An *Asset Retirement Obligation* represents a liability for the legal obligation associated with the retirement of a tangible long-lived asset that a company is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract or by legal construction of a contract under the doctrine of promissory estoppel. An *Asset Retirement Cost* represents the amount capitalized when the liability is recognized for the long-lived asset that gives rise to the legal obligation. The amount recognized for the liability and an associated Asset Retirement Cost shall be stated as prescribed by the CICA Handbook 3110.

- B. The Utility shall initially record a liability for an asset retirement obligation in Account 230, Asset Retirement Obligations, and charge the associated Asset Retirement Costs to electric utility plant (including Accounts 101.1, 359.1, 374, 399.1), and non-utility plant, as appropriate, related to the plant that gives rise to the legal obligation. The Asset Retirement Cost shall be depreciated over the useful life of the related asset that gives rise to the obligations. For periods subsequent to the initial recording of the asset retirement obligation, a Utility shall recognize the period to period changes of the Asset Retirement Obligation that result from the passage of time due to the accretion of the liability and any subsequent measurement changes to the initial liability for the legal obligation recorded in Account 230, Asset Retirement Obligations, as follows:
- (1) The Utility shall record the accretion of the liability by debiting Account 411.10, Accretion Expense from asset retirement obligation, for electric utility plant, Account 413, Expenses of electric plant leased to others, for electric plant leased to others, and Account 419, Interest, dividend and other income, for non-utility plant and crediting Account 230, Asset Retirement Obligations; and
 - (2) The Utility shall recognize any subsequent measurement changes of the liability initially recorded in Account 230, Asset retirement obligations, for each specific Asset Retirement Obligation as an adjustment of that liability in Account 230 with the corresponding adjustment to electric utility plant, electric plant leased to others, and non-utility plant, as appropriate. The Utility shall on a timely basis monitor any measurement changes of the asset retirement obligations.
- C. Gains or losses resulting from the settlement of Asset Retirement Obligations associated with utility plant resulting from the difference between the amount of the liability for the Asset Retirement Obligation included in Account 230, Asset Retirement Obligations, and the actual amount paid to settle the obligation shall be credited to Account 411.6, Gains / Losses from disposition of utility plant.
- D. Gains or losses on the settlement of Asset Retirement Obligations associated with non-utility plant resulting from the difference between the amount of the liability for the Asset Retirement Obligation in account 230, Asset Retirement Obligations, and the amount paid to settle the obligation, shall be accounted for as follows:
- (1) Gains shall be credited to Account 417 Revenues from non-utility operations and;
 - (2) Losses shall be charged to Account 417.1, Expenses of non-utility operations.

Electric Plant Instructions

1. *Classification of electric plant at effective date of system of accounts.*
 - A. The balances in the various plant accounts, as determined under the prior system of accounts, should be carried forward and categorized to this chart of accounts. Any remaining balance of plant shall be classified in accordance with the instructions listed below.
 - B. The cost to the Utility of its un-classified plant shall be ascertained by analysis of the Utility's records and or studies. Adjustments shall not be made to record in utility plant accounts amounts previously charged to operating expenses or to income deductions in accordance with the Uniform System of Accounts in effect at the time or in accordance with the discretion of management as exercised under a uniform system of accounts, or under accounting practices previously followed.
 - C. The detailed electric plant accounts (301 to 399.2, inclusive) shall be stated on the basis of cost to the Utility of plant constructed by it and the original cost, estimated if not known, of plant acquired as an operating unit or system. The difference between the original cost, as above, and the cost to the Utility of electric plant after giving effect to any accumulated provision for Depreciation or Amortization shall be recorded in Account 114, Electric plant acquisition adjustments. The original cost of electric plant shall be determined by analysis of the Utility's records or those of the predecessor or vendor companies with respect to electric plant previously acquired as operating units or systems and the difference between the original cost so determined, less accumulated

provisions for Depreciation and Amortization and the cost to the Utility with necessary adjustments for retirements from the date of acquisition, shall be entered in Account 114, Electric plant acquisition adjustments.

- D. Plant acquired by lease which qualifies as capital lease property under General Instruction 17. *Criteria for Classifying & Accounting for Leases* shall be recorded in Account 101.1, Property under capital leases.

2. *Electric Plant To Be Recorded at Cost.*

- A. All amounts included in the Accounts for electric plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other electric plant shall be included in the Accounts at the cost incurred by the Utility, except for property acquired by lease which qualifies as capital lease property under General Instruction 17. *Criteria for Classifying & Accounting for Leases*, and is recorded in Account 101.1, Property under capital leases. Where the term *cost* is used in the detailed plant accounts, it shall have the meaning stated in this paragraph.
- B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis (see, however, definition 9). In the entry recording such transition, the actual consideration shall be described with sufficient particularity to identify it. The Utility shall be prepared to furnish the Board with the particulars of its determination of the cash value of the consideration if other than cash.
- C. When property is purchased under a plan involving deferred payments, no charge shall be made to the electric plant Accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.
- D. When contributions in aid of construction are received in the form of monies, the amount received should be recorded in Account 131, Cash and in the related asset contra Account 111.1 Gross value of contributions. This account will be amortized. These contributions shall be recorded by rate class. If a contribution does not relate to a single rate class then the contribution shall be allocated between rates classes in a rational manner.

3. *Components of construction cost.*

The underlying accounting concepts for this instruction are based on the CICA Handbook Section 3061 which establishes standards for the measurement, presentation and disclosure of capital assets, unless otherwise directed by the Board. The cost of construction properly includible in the electric plant accounts shall include, where applicable, the direct and overhead cost as listed and defined hereunder:

- (1) *Contract work* includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work.
- (2) *Labor* includes the pay and expenses of employees of the Utility engaged on construction work, and related workmen's compensation insurance, payroll taxes and similar items of expense. It does not include the pay and expenses of employees which are distributed to construction through clearing accounts nor the pay and expenses included in other items hereunder.
- (3) *Materials and supplies* includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses, and the cost of fabricated materials from the Utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.
- (4) *Transportation* includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the Utility's own transportation equipment. (See item 5 following.)

- (5) *Special machine service* includes the cost of labor (optional), materials and supplies, depreciation, and other expenses incurred in the maintenance, operation and use of special machines, such as steam shovels, pile drivers, derricks, ditchers, scrapers, material unloaders, and other labor saving machines; also expenditures for rental, maintenance and operation of machines of others. When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net book cost thereof, less the appraised or salvage value at time of release from the job, shall be included in the cost of construction.
- (6) *Shop service* includes the proportion of the expense of the Utility's shop department assignable to construction work except that the cost of fabricated materials from the Utility's shop shall be included in *materials and supplies*.
- (7) *Protection* includes the cost of protecting the Utility's property from fire or other casualties and the cost of preventing damages to others, or to the property of others, including payments for discovery or extinguishment of fires, cost of apprehending and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipalities and others for fire protection, and other analogous items of expenditures in connection with construction work.
- (8) *Injuries and damages* includes expenditures or losses in connection with construction work on account of injuries to livestock and damages to the property of others; also the cost of investigation of and defense against actions for such injuries and damages. Insurance recovered or recoverable on account of compensation paid for injuries incident to construction shall be credited to the account or accounts to which such compensation is charged. Insurance recovered or recoverable on account of property damages incident to construction shall be credited to the account or accounts charged with the cost of the damages.
- (9) *Privileges and permits* includes payments for and expenses incurred in securing temporary privileges, permits or rights in connection with construction work, such as for the use of private or public property, streets, or highways, but it does not include rents, or amounts chargeable as franchises and consents for which see Account 302, Franchises and consents.
- (10) *Rents* include amounts paid for the use of construction quarters and office space occupied by construction forces and amounts properly includible in construction costs for such facilities jointly used.
- (11) *Engineering and supervision* includes the portion of the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work.
- (12) *General administration capitalized* includes the portion of the pay and expenses of the general officers and administrative and general expenses applicable to construction work.
- (13) *Engineering services* includes amounts paid to other companies, firms, or individuals engaged by the Utility to plan, design, prepare estimates, develop standards, supervise, inspect, or give general advice and assistance in connection with construction work.
- (14) *Insurance* includes premiums paid or amounts provided or reserved as self-insurance for the protection against loss and damages in connection with construction, by fire or other casualty injuries to or death of livestock, damages to property of others, defalcation of employees and agents, and the nonperformance of contractual obligations of others. It does not include workmen's compensation or similar insurance on employees included as *labor* in item 2, above.
- (15) *Law expenditures* includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in protection, item 7, and in injuries and damages, item 8.
- (16) *Taxes* include taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.
- (17) *Allowance for funds used during construction* includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other

funds when so used, not to exceed, without prior approval of the Board, allowances computed in accordance with the formula prescribed in paragraph (a) of this subparagraph. No allowance for funds used during construction charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.

- (a) The formula and elements for the computation of the allowance for funds used during construction shall be the approved average weighted cost of capital multiplied by the sum of:
- average balance in construction work in progress,
 - plus average capital inventory balance,
 - less construction accounts payable,
 - less asset retirement costs (if any are included in construction work in progress).

(See General Instruction 21, Accounting for asset retirement obligations as these instructions relate to plant under construction)

- (b) The weighted average cost rate shall be determined in the manner indicated and approved by the Board for the applicable year. For a non test year the Utility shall use the weighted average cost rate from its last approved filing unless adjusted by the Board. e.g. a Board approved cost of equity rate.

NOTE A: When a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation or ready for service, shall be treated as *Electric Plant in Service* and *allowance for funds used during construction* thereon as a charge to construction shall cease. *Allowance for funds used during construction* on that part of the cost of the plant which is incomplete may be continued as a charge to construction until such time as it is placed in operation or is ready for service, except as limited in item 17, above.

NOTE B: No *allowance for funds used during construction* will be included for projects where a 100% contribution has been received up front on a direct assigned project from the Alberta Electric System Operator (AESO). For those projects where contributions are received up front and no *allowance for funds used during construction* is calculated, the contribution would be included in the rate base in the same period as the asset.

- (18) *Studies* include the costs of studies such as safety, or seismic studies or environmental studies mandated by regulatory bodies relative to plant under construction.

4. *Asset retirement costs.*

Amounts that are capitalized will increase the carrying amount of long lived assets when a liability for a long lived asset is recognized. Unless otherwise directed by the Board, these amounts will not be recognized in the rate base.

5. *Overhead Construction Costs.*

- A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.
- B. The records supporting the entries for overhead construction costs shall be so kept as to show the total amount of each overhead for each year, the nature and amount of each overhead expenditure charged to each construction work order and to each electric plant account, and the bases of distribution of such costs.

6. *Electric Plant Purchased or Sold.*

- A. When electric plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effective date of this Uniform System of Accounts, the accounting for the acquisition shall be completed as follows:

- (1) The original cost of plant, estimated if not known, shall be charged to the appropriate electric plant in service accounts and to Account 104, Electric plant leased to others, Account 105, Electric plant held for future use, and Account 107, Construction work in progress—electric, as appropriate.
- (2) The Depreciation and Amortization applicable to the original cost of the properties purchased shall be credited to the appropriate account for accumulated provision for Depreciation or Amortization.
- (3) The cost to the Utility of any property included in Account 121, Non-utility property, shall be transferred thereto.
- (4) The difference in the costs of acquisition, including expenses incidental thereto properly includible in electric plant and the net sum of transactions (1), (2), (3) above, shall then be closed to Account 114, Electric plant acquisition adjustments.

NOTE: If a Utility acquires a Rural Electrification Association (REA), it shall follow the accounting outlined in this plant instruction 6A if the records of original cost and accumulated depreciation are available. If the records are not available, the assets shall be recorded at the acquisition value. When allocating the plant values to plant accounts the Utility shall use the plant account records of the REA, if they have been kept in accordance with this system of accounts. If the plant records of the REA are not in accordance with this system of accounts then the Utility shall use a rational allocation methodology to allocate the cost (and accumulated depreciation, if applicable) to plant accounts. For greater clarity, this note is meant to address circumstances where historical information is not available and should not be construed as requiring an REA to comply with this Uniform System of Accounts.

- B. When any property acquired as an operating unit or system includes duplicate or other plant which will be retired by the accounting Utility in the reconstruction of the acquired property or its consolidation with previously owned property, the proposed accounting for such property shall be presented to the Board for its determination and approval.
- C. In connection with the acquisition of electric plant constituting an operating unit or system, the Utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records in conformity with regulations and practices governing the preservation of records of its own construction.
- D. When electric plant constituting an operating unit or system is sold, conveyed, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate utility plant accounts, including amounts carried in Account 114, Electric plant acquisition adjustments. The amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provision for depreciation and amortization and in Account 252, Customer advances for construction, shall be charged to such accounts. Unless otherwise ordered by the Board, the difference, if any, between (1) the net amount of debits and credits and (2) the consideration received for the property (less Commissions and other expenses of making the sale) shall be included in Account 411.6 Gains /Losses from disposal of utility plant.

NOTE: In cases where existing Utilities merge or consolidate because of financial or operating reasons or statutory requirements rather than as a means of transferring title of purchased properties to a new owner, the accounts of the constituent Utilities, with the approval of the Board, may be combined. In the event original cost has not been determined, the resulting Utility shall proceed to determine such cost as outlined herein.

7. Expenditures on Leased Property.

The cost of leasehold improvements (including repairs, rearrangements, additions, and betterments) made in the course of preparing for utility service property shall be treated in accordance with guidelines provided in the CICA Handbook Section 3061.

8. Land and Land Rights.

- A. The accounts for land and land rights shall include the cost of land owned in fee simple by the Utility and rights. These accounts should also include interests, and privileges held by the Utility in land

owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submersion rights, rights-of-way, and other like interests in land. Do not include in the accounts for land and land rights and rights-of-way costs incurred in connection with first clearing and grading of land and rights-of-way and the damage costs associated with the construction and installation of plant. Such costs shall be included in the appropriate plant accounts directly benefited.

- B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.
- C. The net profit from the sale of timber, cord wood, sand, gravel, other resources or other property acquired with the rights-of-way or other lands shall be credited to the appropriate plant account to which related. Where land is held for a considerable period of time and timber and other natural resources on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the natural resources) from the sales of timber or its products or other natural resources shall be credited to the appropriate utility operating income account when such land has been recorded in Account 105, Electric plant held for future use or classified as plant in service.
- D. Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land (excluding land rights) having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, and a date of recording of the land deed. Entries transferring or retiring land shall refer to the original entry recording its acquisition.
- E. Any difference between the amount received from the sale of land, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights, shall be included in Account 411.6, Gains /Losses from disposition of utility plant. Appropriate adjustments of the accounts shall be made with respect to any structures or improvements located on land sold.
- F. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements) which are then devoted to utility operations, the land and improvements shall be separately appraised with the cost allocated to land and buildings or improvements on the basis of the separate appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.
- G. When the purchase of land for electric operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in Account 105, Electric plant held for future use, or Account 121, Non-utility property, as appropriate.
- H. Provisions shall be made for amortizing amounts carried in the accounts for limited-term interests in land so as to apportion equitably the cost over the life thereof.
- I. The items of cost to be included in the accounts for land and land rights are as follows:
 - 1. Bulkheads, buried, not requiring maintenance or replacement.
 - 2. Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
 - 3. [Reserved]
 - 4. Condemnation proceedings, including court and counsel costs.
 - 5. Consents and abutting damages, payment for.
 - 6. Conveyancers' and notaries' fees.
 - 7. Fees, Commissions, and salaries to brokers, agents and others in connection with the acquisition of the land or land rights.
 - 8. [Reserved]
 - 9. Leases, cost of voiding upon purchase to secure possession of land.
 - 10. Removing, relocating, or reconstructing, property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
 - 11. Retaining walls unless identified with structures.
 - 12. Special assessments levied by public authorities for public improvements on the basis of

benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.

13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
14. Taxes assumed, accrued to date of transfer of title.
15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
16. Appraisals prior to closing title.
17. Cost of dealing with distributees or legatees residing outside of the state or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of state tax.
18. Filing satisfaction of mortgage.
19. Documentary stamps.
20. Photographs of property at acquisition.
21. Fees and expenses incurred in the acquisition of water rights and grants.
22. Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.
23. Sidewalks and curbs constructed by the Utility on public property.
24. Labor and expenses in connection with securing rights of way, where performed by company employees and company agents.
25. Unwanted buildings located thereon, and removal costs of unwanted buildings less salvage value.

9. *Structures and Improvements.*

- A. The accounts for structures and improvements shall include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to the land. Also included are those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction and installation of plant.
- B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.
- C. Minor buildings and structures, such as valve towers, patrolmen's towers, telephone stations, fish and wildlife, and recreation facilities, etc., which are used directly in connection with or form a part of a reservoir, dam, waterway, etc., shall be considered a part of the facility and the cost thereof accounted for accordingly.
- D. Where the structure of a dam forms also the foundation of the power plant building, such foundation shall be considered a part of the dam.
- E. The cost of disposing of materials excavated in connection with construction of structures shall be considered as a part of the cost of such work, except as follows: (a) When such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) when such material is sold, the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.
- F. Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration shall not be included in the cost of the building but in the appropriate equipment account.
- G. Examples of items of cost to be included in the accounts for structures and improvements are as follows:
 1. Architects' plans and specifications including supervision.

2. Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and air-conditioning systems, plumbing, vacuum cleaning systems, incinerator and smoke pipe, flues, etc.
3. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
4. Chimneys
5. Commissions and fees to brokers, agents, architects, and others.
6. Conduit (not to be removed) with its contents.
7. Damages to abutting property during construction.
8. Docks
9. Door checks and door stops
10. Drainage and sewerage systems.
11. Elevators, cranes, hoists, etc., and the machinery for operating them.
12. Excavation, including shoring, bracing, bridging, refill and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdams during construction, and test borings.
13. Fences and fence curbs (not including protective fences isolating items of equipment, which shall be charged to the appropriate equipment account).
14. Fire protection systems when forming a part of a structure.
15. Flagpole.
16. Floor covering (permanently attached).
17. Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.
18. Grading and clearing when directly occasioned by the building of a structure.
19. Intrasite communication system, poles, pole fixtures, wires, and cables.
20. Landscaping, lawns, shrubbery, etc.
21. Leases, voiding upon purchase to secure possession of structures.
22. Leased property, expenditures on.
23. Lighting fixtures and outside lighting system.
24. Mail chutes when part of a building.
25. Marquee, permanently attached to building.
26. Painting, first cost.
27. Permanent paving, concrete, brick, flagstone, asphalt, etc., within the property lines.
28. Partitions, including movable.
29. Permits and privileges.
30. Platforms, railings, and gratings when constructed as a part of a structure.
31. Power Boards for services to a building.
32. Refrigerating systems for general use.
33. Retaining walls except when identified with land.
34. Roadways, railroads, bridges, and trestles intrasite except railroads provided for in equipment accounts.
35. Roofs.
36. Scales, connected to and forming a part of a structure.
37. Screens.
38. Sewer systems, for general use.
39. Sidewalks, culverts, curbs and streets constructed by the Utility on its property.
40. Sprinkling systems.
41. Sump pumps and pits.
42. Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building.
43. Steel inspection during construction.
44. Storage facilities constituting a part of a building.
45. Storm doors and windows
46. Subways, areaways, and tunnels, directly connected to and forming part of a structure.
47. Tanks, constructed as part of a building or as a distinct structural unit.
48. Temporary heating during construction (net cost)
49. Temporary water connection during construction (net cost)
51. Temporary shanties and other facilities used during construction (net cost)
52. Topographical maps
53. Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
54. Vaults constructed as part of a building.
55. Watchmen's sheds and clock systems (net cost when used during construction only)

56. Water meters and supply system for a building or for general company purposes.
57. Water supply piping, hydrants and wells.

- 58. Window shades and ventilators.
- 59. Yard drainage system.
- 60. Yard lighting system.
- 61. Yard surfacing, gravel, concrete, or oil. (First cost only.)

NOTE: Structures and Improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

10. *Equipment.*

- A. The cost of equipment chargeable to the electric plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the Utility, labor employed, materials and supplies consumed, and expenses incurred by the Utility in unloading and placing the equipment in readiness to operate. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction and installation of plant.
- B. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building and which cannot be removed without cutting into the walls, ceilings or floors or without in some way impairing the building, shall be included in the building accounts.

11. *Additions and Retirements of Electric Plant.*

For the purpose of asset classifications and additions, Utilities will apply accounting treatment for capital assets as provided by the CICA Handbook Sections 3061, 3062, and 3475. The handbook outlines guidelines for achieving asset classification, criterion for determining asset recognition, the principles for capitalization versus expensing, the criterion for asset additions as classified as a betterment or repair. For retirements unless otherwise defined as gains or losses on retirement, book value plus cost of removal less salvage value should be charged to the appropriate accumulated provision for depreciation account.

- A. When an asset is added to electric plant, the cost thereof shall be added to the appropriate electric plant account, except that when assets are acquired in the acquisition of any electric plant constituting an operating system, they shall be accounted for as provided in electric plant instruction 5.
- B. When an asset is retired from electric plant, with or without replacement, the book cost thereof shall be credited to the electric plant account in which it is included, determined in the manner set forth in paragraph C, below. If the asset is of a depreciable class, the book cost of the asset retired and credited to electric plant shall be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such accumulated provision for depreciation account applicable to such property.
- C. The book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts, including all components of construction costs. The book cost shall be determined from the Utility's records and if this cannot be reasonably done, then it shall be estimated. When it is impracticable to determine the book cost of each asset, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.
- D. The sale of land shall be treated as prescribed in Electric Plant Instruction 7D.
- E. The book cost less net salvage of depreciable electric plant retired shall be charged in its entirety to Account 108, Accumulated provision for Depreciation of electric utility plant. Any amounts which, by approval or order of the Board, are charged to Account 228.1, Accumulated provision for self insurance, shall be credited to Account 108.

12. *Asset Record System.*

Each Utility shall record all construction and retirements of electric plant by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of electric plant or the retirements may be included with the construction work order, provided, however, that all items relating

to the retirements shall be kept separate from those relating to construction and provided, further, that any maintenance costs involved in the work shall likewise be segregated.

Each Utility shall maintain records in which, for each plant account, the amounts of the annual additions and retirements are classified so as to show the number and cost of the various additions or retirements.

NOTE: A single work order may be taken out for multiple individual projects.

13. *Transfers of Property.*

When property is transferred from one electric plant account to another, from one Utility department to another, such as from electric to gas, from one operating division or area to another, to or from Accounts 101, Electric plant in service, 104. Electric plant leased to others, 105. Electric plant held for future use, and 121, Non-utility property, the transfer shall be recorded by transferring the original cost thereof from the one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provision for depreciation or amortization shall be transferred in accordance with the segregation of such accounts.

14. *Common Utility Plant.*

- A. If the Utility is engaged in more than one utility service, such as electric, gas, and water, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by utility services currently in the accounts, such property, with the approval of the Board, may be designated and classified as *common utility plant* in a separate account as specified by the Utility.
- B. The Utility shall be prepared to show at any time and to report to the Board annually, or more frequently, if required, and by utility plant accounts (301 to 399.2) the following: (1) The book cost of *common utility plant*, (2) The allocation of such cost to the respective departments using the *common utility plant*, and (3) The basis of the allocation.
- C. The accumulated provision for Depreciation and Amortization of the Utility shall be segregated so as to show the amount applicable to the property classified as *common utility plant*.
- D. The expenses of operation, maintenance, rents, Depreciation and Amortization of *common utility plant* shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the *common utility plant* shall be supported in such manner as to readily reflect the basis of allocation used.

15. *Transmission and Distribution Plant.*

For the purpose of this system of accounts, Transmission and Distribution has the definition as prescribed in the EUA, as amended or replaced from time to time, as described hereto:

- A. "Transmission Facility" means an arrangement of conductors and transformation equipment that transmits electricity from the high voltage terminal of the generation transformer to the low voltage terminal of the step down transformer operating phase to phase at a nominal high voltage level of more than 25 000 volts to a nominal low voltage level of 25 000 volts or less, and includes:
 - (1) transmission lines energized in excess of 25 000 volts,
 - (2) insulating and supporting structures,
 - (3) substations, transformers and switchgear,
 - (4) operational, telecommunication and control devices,
 - (5) all property of any kind used for the purpose of, or in connection with, the operation of the transmission facility, including all equipment in a substation used to transmit electric energy from the low voltage terminal, to electric distribution system lines that exit the substation and are energized at 25 000 volts or less, and connections with electric systems in jurisdictions bordering Alberta, but does not include a generating unit or an electric distribution system.
- B. "Electric distribution system" means the plant, works, equipment, systems and services necessary to distribute electricity in a service area, but does not include a generating unit or a transmission facility, however any portable generation equipment of the distribution utility shall be included.
- C. Where poles or towers support transmission and distribution conductors, the poles, towers, anchors, guys, and rights of way shall be classified as transmission system. The conductors, crossarms, braces, grounds, tiewire, insulators, etc., shall be classified as transmission or distribution facilities,

according to the purpose for which used.

- D. Where underground conduit contains both transmission and distribution conductors, the underground conduit and right of way shall be classified as distribution system. The conductors shall be classified as transmission or distribution facilities according to the purpose for which used.
- E. Land (other than rights of way) and structures (other than poles and towers noted in C above) used jointly for transmission and distribution purposes shall be classified as transmission or distribution according to the major use thereof.
- F. "Generation - Other Production Plant" means all land and land rights, structures and improvements used in connection with other production power generation, fuel holders, producers and accessories, prime movers and generators, accessory electric equipment and miscellaneous power plant equipment. The costs of providing electric energy to customers located in isolated communities are included in the transmission tariff. The costs of providing electric energy to customers located in industrial areas are included in the Distribution Tariff.

16. *Hydraulic production plant.*

Hydraulic production plant means all land and land rights, structures and improvements used in connection with hydraulic power generation, reservoirs dams and waterways, water wheels, turbines, generators, accessory electric equipment, miscellaneous power plant equipment, roads, railroads, and bridges, and structures and improvements used in connection with fish and wildlife, and recreation.

17. *Plant Equipment Held For Emergency in Stores.*

Plant equipment held for emergency in stores are non rotational in nature and are considered to be capital assets and as such are included in Plant in service. Plant equipment held for emergency in stores are depreciated at the standard rate for the specific asset class. Example items include transformers, meters, current transformers / potential transformers, circuit breakers, regulators, conductors, and tower materials. Utilities must disclose the value of emergency stores in each asset class, if requested.

18. *Cradle to Grave Accounting for Meters (Conventional and Automated).*

Cradle to grave accounting for meters (conventional and automated) encompasses all of the following procedures:

- A. The cost of meters or devices and appurtenances thereto, chargeable to the electric plant accounts includes the purchase price thereof, sales taxes, certification and inspection expenses necessary to such purchase, expenses of transportation when borne by the Utility, labour employed, and materials and supplies consumed and the initial installation of such meter.
- B. Meters or devices and appurtenances thereto in stores are considered to be capital assets and as such are included in Plant in service. Meters or devices and appurtenances thereto, are depreciated at the standard rate for this plant account.
- C. When a meter or devices and appurtenances thereto, is retired from service, with or without replacement, the book cost thereof shall be credited to the electric plant account in which it is included, determined in the manner set forth in paragraph D, below. The book cost of the meter or devices and appurtenances thereto, retired and credited to electric plant account shall be charged to accumulated provision for depreciation. The cost of removal and the salvage shall be charged or credited, as appropriate, to such accumulated provision for depreciation account applicable to such a meter or devices and appurtenances thereto.
- D. The book cost of a meter or devices and appurtenances thereto, shall be the amount at which such asset is included in the electric plant accounts, including all costs for the initial installation of the meter or device and appurtenances thereto. The book cost shall be determined from the Utility's records and if this cannot be reasonably done, then it shall be estimated. When it is impracticable to determine the book cost of each meter or devices and appurtenances thereto, due to the relatively large number or small cost thereof, an appropriate average book cost of the meter, with due allowance for any differences in size and character, shall be used as the book cost of the meter or devices and appurtenances thereto, retired.
- E. Throughout the life of the meter or devices and appurtenances thereto, all costs to remove (other than final removal), repair, refurbish, reject and reinstall shall be expensed and charged to Account

586, Operation & Maintenance Meter expenses.

NOTE: This guideline for cradle to grave accounting for meters (conventional and automated) is to be utilized only when the Utility chooses to follow this method of accounting and is to be utilized in accordance with plant Account 370, Conventional meters, and Account 371, Automated meters.

Operating Expense Instructions

1. *Supervision and Engineering Activities.*

- A. The supervision and engineering includible in the operating expense accounts shall consist of the pay and expenses of superintendents, engineers, clerks, other employees and consultants engaged in supervising and directing the operation and maintenance of each utility function.
- B. Wherever allocations are necessary in order to arrive at the amount to be included in any account, the method and basis of allocation shall be reflected by underlying records.
- C. A list of work activities applicable generally to utility plant supervision and engineering is included below.

EXAMPLE ACTIVITIES:

Labor

- 1. General supervision and direction of operations and maintenance.
- 2. Special tests to determine efficiency of equipment operation.
- 3. Preparing or reviewing budgets, estimates, and drawings relating to operation or maintenance for departmental approval.
- 4. Preparing instructions for operations and maintenance activities.
- 5. Reviewing and analyzing operating results.
- 6. Establishing organizational setup of departments and executing changes therein.
- 7. Formulating and reviewing routines of departments and executing changes therein.
- 8. General training and instruction of employees by supervisors whose pay is chargeable hereto.
- 9. Secretarial work for supervisory personnel, but not general clerical and stenographic work chargeable to other accounts.

Expenses

- 10. Consultants' fees and expenses.
- 11. Meals, traveling and incidental expenses.

2. *Operating & Maintenance Activities.*

- A. The cost of operation and maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads and other expenses incurred in operating and maintenance work.
- B. Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.
- C. A list of work operations applicable generally to utility plant is included hereunder. Other work operations applicable to specific classes of plant are listed in functional operating and maintenance expense accounts.

EXAMPLE ACTIVITIES:

- 1. Direct field supervision of operations and maintenance.
- 2. Inspecting, testing, and reporting on condition of plant specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have been made.
- 3. Work performed specifically for the purpose of preventing failure, restoring serviceability or maintaining life of plant.

4. Rearranging and changing the location of plant not retired.
5. Repairing for reuse materials recovered from plant, that do not qualify as a betterment as set out by CICA Handbook Section 3061.
6. Testing for locating and clearing trouble.
7. Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.
8. Replacing or adding plant which does not constitute a capital asset. (See Electric Plant Instruction 11)

3. *Rents.*

- A. The rent expense Account, 931, Rents shall include all rents, (for field offices, retail offices and head office) for property used in utility operations, except:
 - (1) minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be includible in plant accounts 391 to 398, inclusive, which shall be treated as an expense item and included in the appropriate functional account and
 - (2) rents which are chargeable to clearing accounts, and distributed to the appropriate account. If rents cover property used for more than one function, such as production and transmission, or by more than one department, the rents shall be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.
- B. When a portion of property or equipment rented from others for use in connection with utility operations is subleased, the revenue derived from such subleasing shall be credited to Account 451.2, Miscellaneous revenue - other.
- C. The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.
- D. The cost incurred by the lessee of additions and replacements to electric plant leased from others shall be accounted for as provided in Electric Plant Instruction 7.

4. *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.

5. *Labour, Benefits, Contractor Services and Other,*

Utilities need to be able to provide the breakdown of all functions (power production expenses, transmission expenses, distribution expenses, customer accounts expenses, customer service and informational expenses, sales expenses, administrative and general expenses, and load settlement expenses by labour, benefits, contractor services (including consultants), and other).

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- A. This account shall include the original cost of electric plant, included in accounts 301 to 399.2, prescribed herein, owned and used by the Utility in its electric utility operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the Utility but held by nominees.
- B. The cost of additions to and betterments of property leased from others, Account 399.2 Leasehold improvements are includible in this account, shall be recorded in subdivisions separate and distinct from those relating to owned property. (See Electric Plant Instruction 7)

101.1 Property under capital leases

- A. This account shall include the amount recorded under capital leases for plant leased from others and used by the Utility in its utility operations.
- B. The electric property included in this account shall be classified separately according to the detailed accounts (301 to 399.2) prescribed for electric plant in service.
- C. Records shall 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.

Records shall also be maintained for plant under a lease, to identify the asset retirement obligation and cost originally recognized for each lease and the periodic charges and credits made to the asset retirement obligations and asset retirement costs.

103 Experimental electric plant unclassified

- A. This account shall include the cost of electric plant which was constructed as a research, development, and demonstration plant under the provisions of paragraph C, Account 107, Construction work in progress—electric, and due to the nature of the plant it is desirable to operate it for a period of time in an experimental status.
- B. Amounts in this account shall be transferred to Account 101, Electric plant in service, or Account 121, Non-utility property as appropriate when the project is no longer considered as experimental.
- C. The Depreciation on plant in this account shall be charged to Account 403, Depreciation expense, and Account 403.1, Depreciation expense for asset retirement costs, as appropriate, and credited to Account 108, Accumulated provision for Depreciation of electric utility plant. The amounts herein shall be depreciated over a period which corresponds to the estimated useful life of the relevant project considering the characteristics involved. However, when projects are transferred to Account 101, Electric plant in service, a new Depreciation rate based on the remaining service life and undepreciated amounts, will be established.

- D. Records shall be maintained with respect to each unit of experiment so that full details may be obtained as to the cost, Depreciation and the experimental status.
- E. Should it be determined that experimental plant recorded in this account will fail to satisfactorily perform its function, the costs thereof shall be accounted for as directed or authorized by the Board.

104 Electric plant leased to others

- A. This account shall include the original cost of electric plant owned by the Utility, but leased to others as operating units or systems, where the lessee has exclusive possession.
- B. The property included in this account shall be classified according to the detailed accounts (301 to 399.2) prescribed for electric plant in service and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

105 Electric plant held for future use

- A. This account shall include the original cost of electric plant (except land and land rights) owned and held for future use in electric service under a definite plan for such use, to include:
 - (1) Property acquired (except land and land rights) but never used by the Utility in electric service, but held for such service in the future under a definite plan, and
 - (2) property (except land and land rights) previously used by the Utility in service, but retired from such service and held pending its reuse in the future, under a definite plan, in electric service.
- B. This account shall also include the original cost of land and land rights owned and held for future use in electric service under a plan for such use, to include land and land rights:
 - (1) Acquired but never used by the Utility in electric service, but held for such service in the future under a plan, and
 - (2) previously, held by the Utility in service, but retired from such service and held pending its reuse in the future under a plan, in electric service. (See Electric Plant Instruction 8)
- C. In the event that property recorded in this account shall no longer be needed or appropriate for future utility operations, the Utility shall request Board approval of journal entries to remove such property from this account when the gain realized from the sale or other disposition of the property is material, prior to their being recorded. Such filings shall include the description and original cost of individual properties removed from this account, the accounts charged upon removal, and any associated gains realized upon disposition of such property.
- D. Gains or losses from the sale of land and land rights or other disposition of such property previously recorded in this account and not placed in utility service shall be recorded directly in Account 411.6 Gains / Losses from disposition of utility plant.
- E. The property included in this account shall be classified according to the detail accounts (301 to 399.2) prescribed for electric plant in service and the account shall 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 shall not be included in this account.

107 Construction work in progress— Electric

- A. This account shall include the total of the balances of work orders for electric plant in process of construction.
- B. Work orders shall be cleared from this account as soon as practicable after completion of the job. Further, if a project, such as a hydroelectric project, a steam station or a transmission line, is designed to consist of two or more units or circuits which may be placed in service at different dates, any expenditures which are common to and which will be used in the operation of the project as a whole shall be included in electric plant in service upon the completion and the readiness for service of the first unit. Any expenditures which are identified exclusively with units of property not yet in service shall be included in this account.

- C. Expenditures on research, development, and demonstration projects for construction of utility 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 RD&D project together with the related costs.

108 Accumulated provision for Depreciation of electric utility plant

- A. This account shall be credited with the following:

- (1) Amounts charged to Account 403, Depreciation expense, or to clearing accounts for current depreciation expense for electric plant in service.
- (2) Amounts charged to Account 403.1, Depreciation expense for asset retirement costs, for current depreciation expense charged to the applicable asset retirement cost account to such property.
- (3) Amounts charged to Account 419, Interest, dividend and other income for Depreciation expense on property included in Account 105, Electric plant held for future use. Include, also, the balance of accumulated provision for Depreciation on property when transferred to Account 105, Electric plant held for future use, from other property accounts. Normally Account 108 will not be used for current Depreciation provisions because, as provided herein, the service life during which Depreciation is computed commences with the date property is includible in electric plant in service; however, if special circumstances indicate the propriety of current accruals for Depreciation, such charges shall be made to Account 419, Interest, dividend and other income.
- (4) Amounts charged to Account 413, Expenses of electric plant leased to others, for electric plant included in account 104, Electric plant leased to Others.
- (5) Amounts of Depreciation applicable to electric properties acquired as operating units or systems. (See Electric Plant Instruction 6)
- (6) Amounts of Depreciation applicable to electric plant donated to the Utility.

(The Utility shall maintain separate sub-accounts for depreciation and sub accounts by plant account for accumulated Depreciation applicable to electric plant in service, electric plant leased to others and electric plant held for future use.)

Note: Depreciation expense also includes amortization expense, where applicable, excluding the amortization of customer contributions.

- B. At the time of retirement of depreciable electric utility plant, this account shall be charged with the book cost of the property retired and the cost of removal and shall be credited with the salvage value and any other amounts recovered, such as insurance or self insurance. When retirement, costs of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate sub-account hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

- C. For general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for Depreciation. For purposes of analysis, however, each Utility shall maintain subsidiary records in which this account is segregated according to the following functional classification for electric plant:

- (1) Hydraulic production,
- (2) Other production,
- (3) Transmission,
- (4) Distribution, and
- (5) General.

These subsidiary records shall reflect the current credits and debits to this account in sufficient detail to show separately for each such functional classification:

- (a) the amount of accrual for Depreciation,
- (b) the book cost of property retired,
- (c) cost of removal,
- (d) salvage, and
- (e) other items, including recoveries from insurance, or self insurance. Separate subsidiary records shall be maintained for the amount of accrued cost of removal other than legal obligations for the retirement of plant recorded in Account 108, Accumulated provision for Depreciation of electric utility plant

- D. When transfers of plant are made from one electric plant account to another, or from or to another utility department, or from or to non-utility property accounts, the accounting for the related accumulated provision for Depreciation shall be as provided in Electric Plant Instruction 13.
- E. The Utility is restricted in its use of the accumulated provision for Depreciation to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the Board.

111.1 Gross value of contributions

This account shall include 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.

111.2 Accumulated provision for Amortization of contributions

This account shall be debited with the total amount charged to Account 403, Depreciation expense, for the current Amortization of customer contributions, or contributions in aid of construction. This shall be tracked by rate class.

114 Electric plant acquisition adjustments

- A. This account shall include the difference between
 - (1) the cost to the accounting Utility of electric 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 Utility at the time of acquisition to accumulated provisions for Depreciation and Amortization and contributions in aid of construction with respect to such property.
- B. Debit amounts recorded in this account related to plant and land acquisition may be amortized to Account 406, Amortization of electric plant acquisition adjustments, over a period not longer than the estimated remaining life of the properties to which such amounts relate, as appropriate per CICA guidelines. Amounts related to the acquisition of land only may be amortized to Account 406 over a period of not more than 15 years. Should a Utility wish to account for debit amounts in this account in any other manner, it shall petition the Board for authority to do so. Credit amounts recorded in this account shall be accounted for as directed by the Board.

115 Accumulated provision for Amortization of electric plant acquisition adjustments

This account shall be credited or debited with amounts which are includible in Account 406, Amortization of electric plant acquisition adjustments for the purpose of providing for the extinguishment of amounts in Account 114, Electric plant acquisition adjustments, in instances where the amortization of Account 114 is not being made by direct write-off of the account.

121 Non-utility property

- A. This account shall include the book cost of land, structures, equipment, or other tangible or intangible property owned by the Utility, but not used in utility service and not properly includible in Account 105, Electric plant held for future use. This account shall also include, where applicable, amounts recorded for asset retirement costs associated with non-utility plant.
- B. This account shall also include the amount recorded under capital leases for property leased from others and used by the Utility in its non-utility operations. Records shall be maintained with respect to each 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 lessee payments,

- (8) the amount representing interest and the interest rate used, and
- (9) expenses paid.

C. This account shall be subdivided so as to show the amount of property used in operations which are non-utility in character but nevertheless constitute a distinct operating activity of the company (such as operation of an ice department where such activity is not classed as a utility) and the amount of miscellaneous property not used in operations. The records in support of each sub-account shall be maintained so as to show an appropriate classification of the property.

NOTE: The gain from the sale or other disposition of property included in this account which had been previously recorded in Account 105, Electric plant held for future use, shall be accounted for in accordance with paragraph C of Account 105.

122 Accumulated provision for Depreciation and Amortization of non-utility property

This account shall include the accumulated provision for Depreciation and Amortization applicable to non-utility property.

123 Investment in Associated Companies

A. This account shall include the book cost of investments in securities issued or assumed by Associated Companies and investment advances to such companies, including interest accrued thereon when such interest is not subject to current settlement, provided that the investment does not relate to a Subsidiary Company. (If the investment relates to a Subsidiary Company it shall be included in Account 123.1, Investment in subsidiary companies.) Include the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See Account 419, Interest, dividend and other income.)

B. This account shall be maintained in such manner as to show the investment in securities of, and advances to, each Associated Company together with full particulars regarding any of such investments that are pledged.

NOTE A: Securities and advances of Associated Companies owned and pledged shall be included in this account, but such securities, if held in special deposits or in special funds, shall be included in the appropriate deposit or fund account. A complete record of securities pledged shall be maintained.

NOTE B: Securities of Associated Companies held as temporary cash investments are includible in Account 131, Cash.

NOTE C: Balances in open accounts with Associated Companies, which are subject to current settlement, are includible in Account 146, Accounts receivable from Associated Companies.

NOTE D: The Utility may write down the cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there is no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded but a permanent impairment in the value of securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to Account 426.5, Other deductions, or to an appropriate account for accumulated provisions for loss in value established as a separate subdivision of this account.

123.1 Investment in Subsidiary Companies

A. This account shall include the cost of investments in securities issued or assumed by Subsidiary 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 subsidiaries.

B. This account shall be maintained in such a manner as to show separately for each subsidiary: the cost of such investments in the securities of the subsidiary at the time of acquisition; the amount of equity in the subsidiary's undistributed net earnings or net losses since acquisition; advances or

loans to such subsidiary; and full particulars regarding any such investments that are pledged.

124 Other investments

- A. This account shall include the book cost of investments in securities issued or assumed by non-associated companies, investment advances to such companies, and any investments not accounted for elsewhere. This account shall also include unrealized holding gains and losses on trading and available-for-sale types of security investments. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (*See Account 419, Interest, dividend and other income*)
- B. The cost of capital stock of the Utility reacquired by it under a definite plan for resale pursuant to authorization by the Board of Directors of the Utility may, if permitted by law, be included in a separate subdivision of this account.
- C. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

NOTE A: Securities owned and pledged shall be included in this account, but securities held in special deposits or in special funds shall be included in appropriate deposit or fund accounts. A complete record of securities pledged shall be maintained.

NOTE B: Securities held as temporary cash investments shall not be included in this account.

NOTE C: Special funds. See Note D of Account 123, Investment in associated companies.

Special Instructions for Current and Accrued Assets: Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the Utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are provided. There shall not be included in the group of accounts designated as current and accrued assets any item, the amount or collectibility of which is not reasonably assured, unless an adequate provision for possible loss has been made therefore. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

131 Cash

- A. This account shall include the amount of current cash funds.
- B. This account shall include special deposits with fiscal agents or others for the payment of interest.
- C. This account shall include special deposits with fiscal agents or others for the payment of dividends.
- D. This account shall include deposits with fiscal agents or others for special purposes other than the payment of interest and dividends. Such special deposits may include cash deposited with federal, provincial, or municipal authorities as a guaranty for the fulfillment of obligations; cash deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced; cash realized from the sale of the accounting Utility's securities and deposited with trustees to be held until invested in property of the Utility, etc. Entries to this account shall specify the purpose for which the deposit is made.

NOTE: Further, deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to Account 124, Other investments.

- E. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, Government of Canada investment certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.
- F. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

142 Accounts receivable

This account shall include all receivables other than those amounts due from Associated Companies. (*See*

Account 146, Accounts receivable from Associated Companies.) Examples of receivables included in this account are:

- Advances to officer, agents, employees, and others as to petty cash or working funds
- Notes receivable
- Amounts due the Utility on subscription to capital stock
- Interest due on bonds, mortgages, and commercial paper
- Rents receivable or accrued on property rented or leased by the Utility to others
- Estimated amounts accrued for service rendered but not billed at the end of accounting period
- Undistributed balances in clearing accounts
- Amounts due from customers

144 Accumulated provision for uncollectible accounts—credit

- A. This account shall 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 shall be made to Account 904, Uncollectible accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-offs of account receivable for each utility department.
- B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:
 - Utility customers.
 - Merchandising, jobbing and contract work.
 - Officers and employees.
 - Others.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B: If provisions for uncollectible notes receivable or for uncollectible receivables from associated companies are necessary, separate sub-accounts therefore shall be established under the account in which the receivable is carried.

146 Accounts receivable from associated companies

This account shall include receivables due, notes and drafts upon which associated 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 shall be transferred to Account 123, Investment in associated companies.

NOTE: The face amount of notes receivable discounted, sold or transferred without releasing the Utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

151 Fuel stock

This account shall include the book cost of fuel on hand.

EXAMPLE ITEMS

1. Invoice price of fuel less any cash or other discounts.
2. Freight, switching, demurrage and other transportation charges, not including, however, any charges for unloading from the shipping medium.
3. Excise taxes, purchasing agents' commissions, insurance and other expenses directly assignable to cost of fuel.
4. Operating, maintenance and depreciation expenses and ad valorem taxes on Utility owned

transportation equipment used to transport fuel from the point of acquisition to the unloading point.

5. Lease or rental costs of transportation equipment used to transport fuel from the point of acquisition to the unloading point.

154 Plant materials and operating supplies

A. This account shall include the cost of materials purchased primarily for use in the Utility business for construction, operation and maintenance purposes. This account shall 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, and included herein as follows:

- (1) Reusable materials consisting of large individual items shall be included in this account at net book value, estimated if not known.
- (2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account as a percentage of current inventory value for such items.

NOTE: The cost of refurbishing reusable items shall be charged to this account in accordance with criterion set out in CICA Handbook 3030 and 3061, otherwise charge repairing such items to the appropriate expense account as indicated by previous use.

- (3) Scrap and non-usable materials included in this account shall be carried at the estimated net amount realizable therefrom. The difference between the amounts realized for scrap and non-usable materials sold and the net amount at which the materials were carried in this account, as far as practicable, shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto 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, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

EXAMPLE ITEMS

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customs duties and excise taxes.
4. Costs of inspection and special tests prior to acceptance.
5. Insurance and other directly assignable charges.

NOTE A: Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account and distributed to the appropriate account.

NOTE B: When materials and supplies are purchased for immediate use, they need not be carried through this account but may be charged directly to the appropriate utility plant or expense account.

NOTE C: This account shall not include items held in emergency stores.

155 Merchandise

This account shall include the book cost of materials and supplies and appliances and equipment held primarily for retail sales. The principles prescribed in accounting for Utility materials and supplies shall be observed in respect to items carried in this account.

EXAMPLE ITEMS

1. Appliances
2. Air Conditioners
3. Water Heaters

156 Other materials and supplies

This account shall include the book cost of materials and supplies held primarily for non-utility purposes. The principles prescribed in accounting for Utility materials and supplies shall be observed in respect to items carried in this account.

165 Prepayments

This account shall include amounts representing prepayments of insurance, rents, taxes (excluding income tax installments which are included in Account 236, Current income taxes payable), interest and miscellaneous items, and shall be kept or supported in such manner as to disclose the amount of each class of prepayment.

174 Miscellaneous current and accrued assets

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

181 Unamortized debt expense

This account shall include expenses related to the issuance or assumption of debt securities. Amounts recorded in this account shall 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 shall be on a monthly basis, and the amounts thereof shall be charged to Accounts 431 Short term interest and other interest expense, or 427, Interest on long-term debt as appropriate. Any unamortized amounts outstanding at the time that the related debt is prematurely reacquired shall be accounted for as indicated in General Instruction 15.

181.1 Unamortized Preferred Share expense

This account shall include expenses related to the issuance of preferred shares. Amounts recorded in this account shall 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 shall be on a monthly basis, and the amounts thereof shall be charged to Accounts 431 Short term interest and other interest expense, or 427, Interest on long-term debt as appropriate. Any unamortized amounts outstanding at the time that the related preferred shares are prematurely reacquired shall be accounted for as indicated in General Instruction 15.

182.3 Regulatory Assets

- A. This account shall include the amounts of regulatory-created assets, not includible in other accounts, resulting from the ratemaking actions of regulatory agencies. (*See* Definition 26)
- B. The amounts included 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 requirements of the Uniform System of Accounts but for it being probable that such items will be included in a different period(s) for purposes of developing rates that the Utility is authorized to charge for its utility services. When specific identification of the particular source of a Regulatory Asset cannot be made, such as in plant phase-ins, rate moderation plans, or rate levelization plans, Account 407.4, Regulatory credits, shall be credited. 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, except all Regulatory Assets established through the use of Account 407.4 shall be charged to Account 407.3, Regulatory debits, concurrent with the recovery in rates.
- C. If rate recovery of all or part of an amount included in this account is disallowed, the disallowed amount shall be charged to Account 426.5, Other deductions, or Account 435, Extraordinary deductions, in the year of the disallowance.
- D. The records supporting the entries to this account shall be kept so that the Utility 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.

182.4 Other Regulatory Assets

The asset amounts included in this account would include any Regulatory Assets created outside of the General Tariff Application (GTA) for which Utilities make separate application.

Follow guidelines as outlined in Account 182.3, Regulatory Assets when charging this account.

EXAMPLE ITEMS:

1. Transmission deferral,
2. A-1 rider, etc.

186 Miscellaneous deferred debits

- A. This account shall include all debits not elsewhere provided for, such as miscellaneous work in progress, 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.
- B. Records supporting the entries to this account shall be so kept that the Utility can furnish full information as to each deferred debit included herein.

190 Accumulated future income taxes

This deferred debit account is provided to record future income taxes in accordance with the CICA Handbook Section 3465. An equal amount is charged to Account 410.1, Provision for future income taxes, utility operating income. Future income tax assets (Account 190) and liabilities (Account 281) should be netted for financial statement presentation purposes.

201 Common stock issued

- A. This account shall include the stated or assigned value of common shares of each class issued.
- B. When capital stock is retired, this account shall be charged with the amount at which such stock is carried herein.
- C. A separate ledger account shall be maintained for each class and series of common shares. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

204 Preferred stock issued

- A. This account shall include the stated or assigned value of preferred shares of each class issued.
- B. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.
- C. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

211 Partner's equity

This account shall include the balance of all other credits for partner's equity which is not properly includable in the foregoing accounts.

216 Retained Earnings

This account shall include the balances, either debit or credit, of Retained Earnings arising from earnings of the Utility. This account shall be debited with any dividends declared, payable or paid by the Utility. This account shall not include any amounts representing the undistributed earnings of subsidiary companies.

221 Bonds & other long-term debt

- A. This account shall include in a separate subdivision for each class and series of bonds the face value of the actually issued and un-matured bonds which have not been retired or canceled; also the face value of such bonds issued by others the payment of which has been assumed by the Utility.
- B. This account shall include, until maturity all long-term debt not otherwise provided for. This covers

such items as receivers' certificates, real estate mortgages executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption.

- C. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

223 Advances from associated companies

- A. This account shall include the long-term portion of notes and other payables, to associated companies not otherwise provided for and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement which are includible in Account 234, Accounts payable to associated companies
- B. The records supporting the entries to this account shall be so kept that the Utility can furnish complete information concerning each note and open account.

225 Unamortized premium on long-term debt

- A. This account shall include the excess of the cash value of consideration received over the face value upon the issuance or assumption of long-term debt securities.
- B. Amounts recorded in this account shall 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 shall be on a monthly basis, with the amounts thereof to be credited to Account 427, Interest on long-term debt or Account 431, Short term interest and other interest expense as appropriate. . (See General Instruction 15)

226 Unamortized discount on long-term debt—Debit

- A. This account shall include the excess of the face value of long-term debt securities over the cash value of consideration received therefore, related to the issue or assumption of all types and classes of debt.
- B. Amounts recorded in this account shall be Amortized over the life of the respective issues under a plan which will distribute the amount equitably over the life of the securities. The Amortization shall be on a monthly basis, with the amounts thereof charged to Account 427, Interest on long-term debt or Account 431, Short term interest and other interest expense as appropriate. (General Instruction 15)

227 Obligations under capital lease— non-current

This account shall include the portion not due within one year, of the obligations recorded for the amounts applicable to leased property recorded as assets in Account 101.1, Property under capital leases, or Account 121, Non-utility property.

228.1 Accumulated provision for self insurance

- A. This account shall include amounts reserved by the Utility for losses through accident, fire, flood, or other hazards to its own property or property leased from others, and **for losses for bodily injury and property damage to third parties**, not covered by insurance. The amounts charged to Account 925, Injuries and damages, or other appropriate accounts to cover such risks shall be credited to this account. A schedule of risks covered shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used. **This account shall be debited by amounts actually incurred by the Utility for the losses noted above.**
- B. Charges shall be made to this account for losses covered. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

All claims charged to this account will be subject to scrutiny by the Board and interested parties and the

onus will be on the utility to justify that customers should bear the costs

230 Asset retirement obligations

- A. This account shall include the amount of liabilities for the recognition of asset retirement obligations related to electric utility plant and non-utility plant that gives rise to the obligations. This account shall be credited for the amount of the liabilities for asset retirement obligations with amounts charged to the appropriate electric utility plant accounts or non-utility plant account to record the related asset retirement costs.
- B. The Utility shall charge the accretion expense to Account 411.10, Accretion expense from asset retirement obligation, for electric utility plant, Account 413, Expenses of electric plant leased to others, for electric plant leased to others, as appropriate, and credit Account 230, Asset retirement obligations.
- C. This account shall be debited with amounts paid to settle the asset retirement obligations recorded herein.
- D. The Utility shall clear from this account any gains or losses resulting from the settlement of asset retirement obligations in accordance with the instructions prescribed in General Instruction 21.

232 Accounts payable & accrued liabilities

This account shall include 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 shall include 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.

NOTE: Exclude from these accounts notes and accounts which are includible in Account 223, Advances from associated companies.

235 Customer deposits

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

236 Current income taxes payable

- A. This account shall 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 shall 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, shall be shown under Account 165, Prepayments.
- B. If accruals for taxes are found to be insufficient or excessive, correction therefore shall be made through current tax accruals.

- C. Accruals for taxes shall 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 shall be credited to Account 419, Interest, dividend and other income, and interest paid on deficiencies shall be charged to Account 431, Short-term interest and other interest expense.
- D. The records supporting the entries to this account shall 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.
- E. This account shall be debited with the amount of installments paid during the accounting period.

239 Matured long-term and short-term debt

- A. This account shall include 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.
- B. This account shall 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 shall include 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 shall include the portion, due within one year, of the obligations recorded for the amounts applicable to leased property recorded as assets in Account 101.1, Property under capital leases, or Account 121, Non-utility property.

252 Customer advances for construction

This account shall include 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 shall be credited to Account 111.1, Gross value of contributions.

253 Other deferred credits

This account shall include 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

254.1 Regulatory Liabilities

- A. This account shall include the amounts of regulatory liabilities, not includible in other accounts, imposed on the Utility by the ratemaking actions of regulatory agencies. (*See* Definition 26)
- B. 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 Uniform System of Accounts but for it being probable that: 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 refunds to customers, not provided for in other accounts, will be required. When

specific identification of the particular source of the Regulatory Liability cannot be made or when the liability arises from revenues collected pursuant to tariffs on file at a regulatory agency, Account 407.3, Regulatory debits, shall be debited. 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: All Regulatory Liabilities established through the use of Account 407.3 shall be credited to Account 407.4, Regulatory credits; and in the case of refunds, a cash account or other appropriate account should be credited when the obligation is satisfied.

- C. If it is later determined that the amounts recorded in this account will not be returned to customers through rates or refunds, such amounts shall be credited to Account 434, Extraordinary income, as appropriate, in the year such determination is made.
- D. The records supporting the entries to this account shall 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.

254.2 Other Regulatory Liabilities

The liabilities amounts included in this account would include any Regulatory Liability created outside of the General Tariff Application (GTA) for which Utilities make separate application.

Follow guidelines as outlined in Account 254.1, Regulatory Liabilities when charging to this account.

EXAMPLE ITEMS

- 1. Transmission deferral,
- 2. A-1 rider, etc.

281 Accumulated future income taxes

This deferred credit account is provided to record future income taxes in accordance with the CICA Handbook Section 3465. An equal amount is charged to Account 410.1, Provision for future income taxes, utility operating income. Future income tax assets (Account 190) and liabilities (Account 281) should be netted for financial statement presentation purposes.

Electric Plant Chart of Accounts

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Electric Plant Accounts

301 Organization

This account shall include all fees paid to federal or provincial governments for the privilege of incorporation and expenditures incident to organizing the corporation, partnership, or other enterprise and putting it into readiness to do business.

EXAMPLE ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public-utility business.
2. Fees and expenses for incorporation
3. Fees and expenses for mergers or consolidations.
4. Office expenses incident to organizing the Utility.
5. Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt or

expenses in connection with the authorization, issuance or sale of capital stock.

NOTE B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included herein or in similar accounts in the books of the companies concerned shall be excluded from this account.

302 Franchises and consents

- A. This account shall include amounts paid to the federal government, to a provincial or to a political subdivision thereof in consideration for franchises, consents, water power licenses, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident 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.
- B. If a franchise, consent, water power license or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefore by the Utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the Utility over the amount above specified shall be charged to Account 426.5, Other deductions.
- C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to Account 426.5, Other deductions.
- D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

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

303 Miscellaneous intangible plant

- A. This account shall include the 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.
- B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to Account 426.5, Other deductions.
- C. This account shall be maintained in such a manner that the Utility can furnish full information with respect to the amounts included herein.

330 Land

This account shall include the cost of land used in connection with hydraulic power generation. (See Electric Plant Instruction 8) This account shall also include the cost of land used in connection with (1) the conservation of fish and wildlife, and (2) recreation. Separate sub-accounts shall be maintained for each of the above.

330.1 Land Rights

This account shall include the cost of land rights used in connection with hydraulic power generation. (See Electric Plant Instruction 8) This account shall also include the cost of land rights used in connection with (1) the conservation of fish and wildlife, and (2) recreation. Separate sub-accounts shall be maintained for each of the above.

331 Structures and improvements

This account shall include the cost in place of structures and improvements used in connection with hydraulic power generation. (See Electric Plant Instruction 9) This account shall also include the cost in

place of structures and improvements used in connection with (1) the conservation of fish and wildlife, and (2) recreation. Separate sub-accounts shall be maintained for each of the above.

332 Reservoirs, dams, and waterways

This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation, and delivery of water used primarily for generating electricity. This account shall also include the cost in place of facilities used in connection with (a) the conservation of fish and wildlife, and (b) recreation. Separate sub-accounts shall be maintained for each of the above. (See Electric Plant Instruction 9C)

EXAMPLE ITEMS

1. Bridges and culverts (when not a part of roads or railroads).
2. Clearing and preparing land.
3. Dams, including waste ways, spillways, flashboards, spillway gates with operating and control mechanisms, tunnels, gate houses, and fish ladders.
4. Dikes and embankments.
5. Electric system, including conductors control system, transformers, lighting fixtures, etc.
6. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.
7. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
8. Intakes, including trash racks, rack cleaners, control gates and valves with operating mechanisms, and intake house when not a part of station structure.
9. Platforms, railings, steps, gratings, etc., appurtenant to structures listed herein.
10. Power line wholly identified with items included herein.
11. Retaining walls.
12. Water conductors and accessories, including canals, tunnels, flumes, penstocks pipe conductors, forebays, tailraces, navigation locks and operating mechanisms, waterhammer and surge tanks, and supporting trestles and structures.
13. Water storage reservoirs, including dams, flashboards, spillway gates and operating mechanisms, inlet and outlet tunnels, regulating valves and valve towers, silt and mud sluicing tunnels with valve or gate towers, and all other structures wholly identified with any of the foregoing items.

333 Water wheels, turbines and generators

This account shall include the cost installed of water wheels and hydraulic turbines (from connection with penstock or flume to tailrace) and generators driven thereby devoted to the production of electricity by water power or for the production of power for industrial or other purposes, if the equipment used for such purposes is a part of the hydraulic power plant works.

EXAMPLE ITEMS

1. Exciter water wheels and turbines, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
2. Fire-extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators—main, a.c. or d.c., including field rheostats and connections for self-ex-cited units and excitation system when identified with the generating unit.
6. Lighting systems.
7. Lubricating systems, including gauges, filters, tanks, pumps, piping, etc.
8. Main penstock valves and appurtenances, including main valves, control equipment, bypass valves and fittings, and other accessories.
9. Main turbines and water wheels, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
10. Mechanical meters and recording instruments.
11. Miscellaneous water-wheel equipment, including gauges, thermometers, meters, and other instruments.
12. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
13. Scroll case filling and drain system, including gates, pipe, valves, fittings, etc.
14. Water-actuated pressure-regulator system, including tanks and housings, pipes, valves, fittings and insulations, piers and anchorage, and excavation and backfill.

334 Accessory electric equipment

This account shall include 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.

EXAMPLE ITEMS

1. Auxiliary generators, including Boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine, and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
4. Station buses, including main, auxiliary, transfer, synchronizing, and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors starting transformers, current transformers, potential transformers, protective relays, storage batteries, and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special fire-extinguishing system, and test equipment.
5. Station control system, including station switchboards with panel wiring panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck type Boards complete, cubicles, station supervisory control devices, frequency control equipment, master clocks, watt-hour meter, station totalizing watt-meter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housings for batteries, protective screens, doors, etc.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment, it shall be included in such equipment account.

335 Miscellaneous power plant equipment

This account shall include the cost installed of 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. This account shall also include the cost of equipment used in connection with (a) the conservation of fish and wildlife, and (b) recreation. Separate sub-accounts shall be maintained for each of the above.

EXAMPLE ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible else-where.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, insect control equipment, signal systems,

- callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
10. Railway cars, not includible elsewhere.
 11. Refrigerating system, including compressors, pumps, cooling coils, etc.
 12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
 13. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

337 Asset retirement costs for hydraulic production plant

This account shall include asset retirement costs on plant included in the hydraulic production function.

340 Land

This account shall include the cost of land used in connection with other power generation. (See Electric Plant Instruction 8)

340.1 Land rights

This account shall include the cost of land rights used in connection with other power generation. (See Electric Plant Instruction 8)

341 Structures and improvements

This account shall include the cost in place of structures and improvements used in connection with other power generation. (See Electric Plant Instruction 9)

342 Fuel holders, producers, and accessories

This account shall include 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.

EXAMPLE ITEMS

1. Blower and fans.
2. Boilers and pumps.
3. Economizers.
4. Exhauster outfits.
5. Flues and piping.
6. Pipe system.
7. Producers.
8. Regenerators.
9. Scrubbers.
10. Steam injectors.
11. Tanks for storage of oil, gasoline, etc.
12. Vaporizers.

343 Prime movers and generators

This account shall include the cost installed of Diesel, other prime movers devoted to the generation of electric energy, together with their auxiliaries, or other power driven main generators.

EXAMPLE ITEMS

1. Air-filtering system.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Cooling system, including towers, pumps, tanks, and piping.
4. Cranes, hoists, etc., including items wholly identified with apparatus listed herein.
5. Engines, Diesel, gasoline, gas, or other internal combustion.
6. Fire-extinguishing equipment.
7. Foundations and settings specially constructed for and not expected to outlast the apparatus

- for which provided.
8. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
 9. Generators—main, a.c. or d.c., including field rheostats and connections for self-ex-cited units and excitation system when identified with the generating unit.
 10. Governors.
 11. Ignition system.
 12. Inlet valve.
 13. Lighting systems.
 14. Lubricating systems, including filters, tanks, pumps, and piping.
 15. Mechanical meters, including gauges, recording instruments, sampling, and testing equipment.
 16. Mufflers.
 17. Piping.
 18. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
 19. Starting systems, compressed air, or other, including compressors and drives, tanks, piping, motors, Boards and connections, storage tanks, etc.
 20. Steelwork, specially constructed for apparatus listed herein.
 21. Waste heat boilers, antifluctuators, etc.

345 Accessory electric equipment

This account shall include the cost installed of 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.

EXAMPLE ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.
4. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, trunk type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature-recording devices, frequency control equipment, master clocks, watt-hour meter, station totalizing wattmeter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.
5. Station buses, including main, auxiliary transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station ground system, special fire-extinguishing system, and test equipment.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

346 Miscellaneous power plant equipment

This account shall include the cost installed of miscellaneous equipment in and about the other power

generating plant, devoted to general station use, and not properly includible in any of the foregoing other power production accounts.

EXAMPLE ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
6. Miscellaneous belts, pulleys, countershafts, etc.
7. Refrigerating system including compressors, pumps, cooling coils, etc.
8. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
9. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

350 Land

This account shall include the cost of land used in connection with transmission operations. (See Electric Plant Instruction 8)

350.1 Land rights

This account shall include the cost of land rights used in connection with transmission operations. (See Electric Plant Instruction 8)

352 Structures and improvements

This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See Electric Plant Instruction 9)

353 Station equipment

This account shall include the cost installed of transforming, conversion, and switching equipment used for the purpose of changing the characteristics of electricity in connection with its transmission or for controlling transmission circuits, whether actually in service or held for emergency stores.

EXAMPLE ITEMS

1. Bus compartments, concrete, brick, and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not a part of a building.
3. Control equipment, including batteries battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, including trans-formers, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment blowers, motors and connections.
7. Flexible Alternate Current Transmission Systems (FACTS)
8. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
9. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
10. Platforms, railings, steps, gratings, etc. appurtenant to apparatus listed herein.
11. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to

manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.

12. Switchboards, including meters, relays, control wiring, etc.
13. Switching equipment, indoor and out-door, including oil SF6, vacuum circuit breakers and operating mechanisms, truck switches, and disconnect switches.
13. Tools and appliances. (If such items are consumed directly in construction work, the cost shall be included as part of the cost of construction. See Account description 394, Tools, shop, garage, stores and laboratory equipment)

353.1 System communication & control

This account shall include the cost installed of all equipment utilized for the purposes of providing control, operation and observation of the status of the transmission system.

EXAMPLE ITEMS:

1. Supervisory Control and Data Acquisition System (SCADA) communication equipment including:
 - a. Main Terminal Unit (Central Computer)
 - b. Remote Terminal Units (those resident within electrical transmission substations)
 - c. Transducers and other equipment which provides the raw data input into the SCADA system, but excludes relays whose primary function is to provide protection of the overall system
2. Communications Equipment including:
 - a. Digital and Analog Microwave systems including towers, repeater stations, and all associated electrical and electronic systems which are necessary of the operation for fiber optic and coaxial cable systems.
 - b. Twisted line pair communication wires, necessary to provide communications to and from sub-stations and the central control centre.
 - c. Electronic switching devices whose primary purpose is to handle data from devices designed for control and operation of the transmission system.

354 Towers and fixtures

This account shall include the installed and held in emergency stores cost, of towers and appurtenant fixtures used for supporting overhead transmission conductors.

EXAMPLE ITEMS

1. Anchors, guys, braces.
2. Brackets.
3. Crossarms, including braces.
4. Excavation, backfill, and disposal of excess excavated material.
5. Foundations.
6. Guards.
7. Insulator pins and suspension bolts.
8. Ladders and steps.
9. Railings, etc.
10. Towers.

355 Poles and fixtures

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

EXAMPLE ITEMS

1. Anchors, head arm and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Gaining, roofing stenciling, and tagging.
7. Insulator pins and suspension bolts.
8. Paving.

9. Pole steps.
10. Poles, wood, steel, concrete, or other material.
11. Racks complete with insulators.
12. Reinforcing and stubbing.
13. Settings.
14. Shaving and painting.

Re-build programs with the intent that the action extends the life of the asset such as:

15. Stubbing poles in service,
16. Treating poles or cross arms in use or salvaged for reuse.

356 Overhead conductors and devices

This account shall include the installed and held in emergency stores cost of overhead conductors and devices used for transmission purposes.

EXAMPLE ITEMS

1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires and ground clamps.
4. Insulators, including pin, suspension, and other types.
5. Lightning arresters.
6. Switches.
7. Other line devices.

358 Underground conduit, conductors and devices

This account shall include the installed and held in emergency stores cost of underground conduit and tunnels used for housing transmission cables or wires and underground conductors and devices used for transmission purposes. (See Electric Plant Instruction 15)

EXAMPLE ITEMS

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chambers, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber of manhole to insulators on pole.
4. Circuit breakers.
5. Conduit, concrete, brick or tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
6. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
7. Fireproofing, in connection with any items listed herein
8. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
9. Hollow-core oil-filled cable, including straight or stop joints pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, ventilating equipment, etc.
10. Lead and fabric covered conductors, including insulators, compound filled, oil filled, or vacuum splices, potheads, etc.
11. Lightning arresters.
12. Manholes, concrete or brick, including iron or steel, frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
13. Municipal inspection.
14. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
15. Permits.
16. Protection of street openings.
17. Racking of cables.
18. Removal and relocation of subsurface obstructions.
19. Sewer connections, including drains, traps, tide valves, check valves, etc.
20. Sumps, including pumps.
21. Switches.
22. Ventilating equipment.
23. Other line devices.

359.1 Asset retirement costs for transmission plant

This account shall include asset retirement costs on plant included in the transmission plant function.

360 Land

This account shall include the cost of land used in connection with distribution operations. (See Electric Plant Instruction 8)

NOTE: Do not include in this account the cost of permits to erect poles, towers, etc., or to trim trees. (See Account 364, Poles, towers and fixtures, and Account 365, Overhead conductors and devices)

360.1 Land rights

This account shall include the cost of land rights used in connection with distribution operations. (See Electric Plant Instruction 8)

NOTE: Do not include in this account the cost of permits to erect poles, towers, etc., or to trim trees. (See Account 364, Poles, towers and fixtures, and Account 365, Overhead conductors and devices)

361 Structures and improvements

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See electric Plant Instruction 9)

362 Station equipment

This account shall include the installed station equipment cost, including transformer banks, etc., which are used for the purpose of changing the characteristics of electricity in connection with its distribution, whether in service or held in emergency stores.

EXAMPLE ITEMS

1. Bus compartments, concrete, brick and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not part of building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay Boards, and connections.
4. Conversion equipment, indoor and out-door, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Flexible Alternate Current Transmission Systems (FACTS)
8. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
9. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
10. Grounding
11. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
12. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
13. Station metering equipment
14. Switchboards, including meters, relays, control wiring, etc.
15. Switching equipment, indoor and out-door, including oil, SF6, vacuum circuit breakers and operating mechanisms, truck switches, disconnect switches.

NOTE: The cost of rectifiers, series transformers, and other special station equipment devoted exclusively to street lighting service shall not be included in this account, but in Account 373, Street lighting and signal systems.

362.1 System communication & control

This account shall include the installed cost of all equipment utilized for the purposes of providing control, operation and observation of the status of the distribution system.

EXAMPLE ITEMS:

1. Supervisory Control and Data Acquisition System (SCADA) communication equipment.
2. Any computers or other such data processing equipment, that are not included in SCADA Master Terminal Unit Systems for transmission systems, which gather and process information from distribution sub-station for the purposes of control of those sub-stations.
3. Remote Terminal Units (those resident within electrical distribution substations).
4. Transducers and other equipment which provides the raw data input into the SCADA system, but excludes relays whose primary function is to provide protection of the overall system.
5. Communications Equipment including:
 - a. Optic Fibers, coaxial cable which are used
 - b. Twisted line pair or fiber optic lines required to communicate with the distribution system devices.
 - c. Power line carrier systems
 - d. Electronics including amplifiers, multiplexers, and other associated equipment necessary for connection of optic fibers.
 - e. Twisted line pair communication wires, necessary to provide communication to and from sub-stations and the central control centre.
 - f. Electronic switching devices whose primary purpose is to handle data from devices designed for control and operation of the distribution system.

363 Storage battery equipment

This account shall include the installed and held in emergency stores cost, of storage battery equipment used for the purpose of supplying electricity to meet emergency or peak demands.

EXAMPLE ITEMS

1. Batteries, including elements, tanks, tank insulators, etc.
2. Battery room connections, including cable or bus runs and connections.
3. Battery room flooring, when specially laid for supporting batteries.
4. Charging equipment, including motor generator sets and other charging equipment and connections, and cable runs from generator or station bus to battery room connections.
5. Miscellaneous equipment, including instruments, water stills, etc.
6. Switching equipment, including endcell switches and connections, Boards and panels, used exclusively for battery control, not part of general station switchboard.
7. Ventilating equipment, including fans and motors, louvers, and ducts not part of building.

NOTE: Storage batteries used for control and general station purposes shall not be included in this account but in the account appropriate for their use.

364 Poles, towers and fixtures

This account shall include the installed and held in emergency stores cost, of poles, towers, and appurtenant fixtures used for supporting overhead distribution conductors and service wires.

EXAMPLE ITEMS

1. Anchors, head arm, and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Foundations.
7. Guards.
8. Insulator pins and suspension bolts.
9. Paving.
10. Permits for construction.
11. Pole steps and ladders.
12. Poles, wood, steel, concrete, or other material.
13. Racks complete with insulators.
14. Railings.
15. Reinforcing and stubbing.
16. Settings.
17. Shaving, painting, gaining, roofing, stenciling, and tagging.

18. Towers.
 19. Transformer racks and platforms.
- Re-build programs with the intent that the action extends the life of the asset such as:
20. Stubbing poles in service,
 21. Treating poles or Crossarms in use or salvaged for reuse.

365 Overhead conductors and devices

This account shall include the installed and held in emergency stores 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.

EXAMPLE ITEMS

1. Brackets.
2. Cables and wires.
3. Circuit breakers.
4. Conductors, including insulated and bare wires and cables.
5. Ground wires, clamps, etc.
6. Insulators, including pin, suspension, and other types, and tie wire or clamps.
7. Lightning arresters.
8. Municipal inspection.
9. Overhead to underground, including conduit or standpipe and conductor from last splice on pole to connection with customer's wiring.
10. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
11. Permits.
12. Protection of street openings.
13. Railroad and highway crossing guards.
14. Service and other switches.
15. Splices.
16. Suspension wire.
17. Tree trimming, and vegetation management, initial cost including the cost of permits therefore.
18. Other line devices.

NOTE: The cost of conductors used solely for street lighting or signal systems shall not be included in this account but in Account 373, Street lighting and signal systems.

367 Underground conductors and devices

This account shall include the installed and held in emergency stores cost of underground conduit and tunnels used for housing distribution cables or wires and underground conductors and devices used for distribution purposes. This account shall include 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. Conduit used for underground service conductors shall be included herein.

EXAMPLE ITEMS

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, cables, terminators including insulators, insulating materials, splices in terminal chamber, potheads, etc.
3. Brackets.
4. Cables and wires in standpipe, including pothead and connection from terminal chamber or manhole to insulators on pole.
5. Circuit breakers.
6. Conduit, concrete, brick and tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
7. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
8. Fireproofing, in connection with any items listed herein.
9. Foundations and settings specially constructed for and not expected to outlast the apparatus for which constructed.
10. Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, etc.
11. Insulators.
12. Lead and fabric covered conductors, including insulators, compound-filled, oil-filled or vacuum

- splices, potheads, etc.
13. Lightning arresters.
 14. Lighting systems.
 15. Manholes, concrete or brick, including iron or steel frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
 16. Municipal inspection.
 17. Overhead to underground, including conduit or standpipe and conductor from last splice on pole to connection with customer's wiring.
 18. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
 19. Permits.
 20. Protection of street openings.
 21. Racking of cables.
 22. Removal and relocation of subsurface obstructions.
 23. Service switch.
 24. Sewer connections, including drains, traps, tide valves, check valves, etc.
 25. Sumps, including pumps.
 26. Switches.
 27. Suspension wire.
 28. Ventilating equipment.
 29. Other line devices.

NOTE: The cost of underground conductors and devices used solely for street lighting or signal systems shall be included in Account 373, Street lighting and signal systems.

368 Line transformers

- A. This account shall include 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.
- B. When a transformer is permanently retired from service, the original installed cost thereof shall be credited to this account.
- C. The records covering line transformers shall be so kept that the Utility can furnish the number of transformers of various capacities in service and those in reserve, and the location and the use of each transformer.

EXAMPLE ITEMS

1. Installation, labor of
2. Transformer cut-out boxes.
3. Transformer lightning arresters.
4. Transformers, line, padmount and network.
5. Capacitors.
6. Network protectors.
7. Grounding equipment

370 Conventional meters

- A. This account shall include the installed cost of conventional meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve.
- B. When a conventional meter is permanently re-tired from service, the installed cost included herein shall be credited to this account.
- C. The records covering conventional meters shall be so kept that the Utility can furnish information as to the number of conventional meters of various capacities in service and in reserve.

EXAMPLE ITEMS

1. Alternating current, watt-hour meters (mechanical & electronic)
2. Current limiting devices.
3. Demand indicators.
4. Demand meters.
5. Direct current watt-hour meters (mechanical & electronic)
6. Fees with regard to inspection, resealing and re-certification
7. Graphic demand meters.
8. Installation, labor of

9. Instrument transformers.
10. Interval meters
11. Maximum demand meters.
12. Meter badges and their attachments.
13. Meter Boards and boxes. (metering units)
14. Meter fittings, connections, and shelves
15. Meter switches and cut-outs. (metering units)
16. Prepayment meters.
17. Protective devices.
18. Testing new meters.

NOTE: This account shall not include conventional meters for recording output of a generating station, substation meters, etc. It includes only those conventional meters used to record energy delivered to customers.

NOTE: Utilities may choose to follow cradle to grave accounting for this account and if cradle to grave accounting is chosen the Utility shall follow the Electric Plant Instruction 18.

371 Automated meters

- A. This account shall include the installed cost of automated meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve.
- B. When an automated meter is permanently retired from service, the installed cost included herein shall be credited to this account.
- C. The records covering automated meters shall be so kept that the Utility can furnish information as to the number of automated meters of various capacities in service and in reserve.

EXAMPLE ITEMS

1. Alternating current, watt-hour meters (mechanical & electronic)
2. Current limiting devices.
3. Demand indicators.
4. Demand meters.
5. Direct current watt-hour meters (mechanical & electronic)
6. Fees with regard to inspection, resealing and re-certification
7. Graphic demand meters.
8. Installation, labor of
9. Instrument transformers.
10. Interval meters
11. Maximum demand meters.
12. Meter badges and their attachments.
13. Meter Boards and boxes. (metering units)
14. Meter fittings, connections, and shelves
15. Meter switches and cut-outs. (metering units)
16. Prepayment meters.
17. Protective devices.
18. Testing new meters.

NOTE: This account shall not include automated meters for recording output of a generating station, substation meters, etc. It includes only those automated meters used to record energy delivered to customers.

NOTE: Utilities may choose to follow cradle to grave accounting for this account and if cradle to grave accounting is chosen, the Utility shall follow the Electric Plant Instruction 18.

373 Street lighting and signal systems

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

EXAMPLE ITEMS

1. Armored conductors, buried or submarine, including insulators, insulating materials, splices,

- trenching, etc.
- 2. Automatic control equipment.
- 3. Lamps, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
- 4. Municipal inspection.
- 5. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
- 6. Permits.
- 7. Posts and standards.
- 8. Protection of street openings.
- 9. Rectifiers, wholly associated with street light systems
- 10. Relays or time clocks.
- 11. Series contactors.
- 12. Switches.

374 Asset retirement costs for distribution plant

This account shall include Asset Retirement Costs on plant included in the distribution plant function.

389 Land

This account shall include the cost of land used for utility purposes, the cost of which is not properly includible in other land accounts. (See Electric Plant Instruction 8)

389.1 Land rights

This account shall include the cost of land rights used for utility purposes, the cost of which is not properly includible in other land rights accounts. (See Electric Plant Instruction 8)

390 Structures and improvements

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts (See Electric Plant Instruction 9)

391 Office furniture and equipment

This account shall include 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.

EXAMPLE ITEMS

- 1. Bookcases and shelves.
- 2. Desks, chairs, and desk equipment.
- 3. Drafting-room equipment.
- 4. Filing, storage, and other cabinets.
- 5. Floor covering.
- 6. Library and library equipment.
- 7. Mechanical office equipment, such as accounting machines, typewriters, etc.
- 8. Safes.
- 9. Tables.

391.1 Computer hardware and voice & data network equipment

This account shall include 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 shall be subdivided as appropriate.

EXAMPLE ITEMS:

- 1. Cell phones and related hand held devices
- 2. Circuit boards, network cards
- 3. Computer Processing Units (CPU's)
- 4. Fax equipment
- 5. Keyboards, mice

6. Monitors and screens
7. PBX, ACD systems
8. Personal Computers (PC's)
9. Photocopiers
10. Printers
11. Phone sets
12. Power bars
13. Remote security keys and devises
14. Storage devices, Servers, Routers,
15. All electronic and associated equipment utilized with fibre-optic and coaxial systems whose express purpose is to provide voice and data functions, not specifically associated or included in Accounts 353.1, 362.1 Systems communication and control

NOTE: Communications equipment utilized to monitor and control utility operations such as SCADA equipment, shall be included in Accounts 353.1, 362.1 Systems communication and control.

391.2 Computer software and applications

This account shall include the installed cost of developed and purchased computer application software.

This account shall be subdivided as appropriate.

EXAMPLE ITEMS:

1. Accounting Packages
2. Customer Information Systems (CIS)
3. Data Base Management Packages
4. Groupware packages (e.g. email, scheduling, conferencing, including related gateways)
5. Primary development packages (e.g. PowerBuilder)
6. Software development tools
7. General office software such as word processing and spreadsheet

391.3 Load settlement software applications

This account shall include the incremental installed cost of developed and purchased computer application software associated with processes for load settlement.

This account shall be subdivided as appropriate.

EXAMPLE ITEMS:

1. Billing software exclusive to load settlement applications
2. Specific Load Settlement cost tracking and measurement application programs
3. Specific Load Settlement revenue tracking and measurement application programs

392 Transportation equipment, fleet vehicles

This account shall include the cost of fleet vehicles generally one ton or less, used for general purposes.

EXAMPLE ITEMS

1. Automobiles.
2. Small trucks.
3. Repair cars or trucks.
4. Other mobile equipment.

NOTE: Non-fleet, work and service equipment should be included in Account 396, Power operated equipment

394 Tools, shop, stores, garage and laboratory equipment

This account shall include the cost of tools, implements, equipment used in construction, repair work, general shops garages, equipment used for the receiving, shipping, handling, and storage of materials and supplies and laboratory equipment used for general laboratory purposes; none of which is specifically provided for or includible in other departmental or functional plant accounts.

EXAMPLE ITEMS

1. Air compressors.
2. Ammeters, Laboratory equipment

3. Anvils.
4. Automobile repair shop equipment.
5. Battery charging equipment.
6. Belts, shafts and countershafts.
7. Boilers.
8. Cable pulling equipment.
9. Chain falls.
10. Chain Saws
11. Concrete mixers.
12. Counters, Stores equipment
13. Cranes (portable).
14. Current batteries.
15. Drill presses.
16. Derricks.
17. Electric equipment.
18. Elevating and stacking equipment (portable), Stores equipment
19. Engines.
20. Frequency changers.
21. Foundations and settings specially constructed for and not expected to outlast the equipment for which provided.
22. Galvanometers.
23. Gas producers.
24. Gasoline pumps, oil pumps and storage tanks.
25. Greasing tools and equipment.
26. Hoists.
27. Inductometers.
28. Laboratory standard millivolt meters.
29. Laboratory standard volt meters.
30. Ladders.
31. Lathes.
32. Lockers, Stores equipment
33. Machine tools.
34. Meter-testing equipment, Laboratory equipment
35. Millivolt meters.
36. Motors.
37. Motor-driven tools.
38. Motor generator sets.
39. Panels, Laboratory equipment
40. Phantom loads.
41. Pipe threading and cutting tools
42. Pneumatic tools.
43. Portable graphic ammeters, voltmeters, and wattmeters.
44. Portable loading devices.
45. Potential batteries.
46. Potentiometers.
47. Pumps.
48. Riveters.
49. Rotating standards.
50. Scales.
51. Shelving, Stores equipment
52. Smithing equipment.
53. Standard cell, reactance, resistor, and shunt.
54. Storage bins.
55. Switchboards, Laboratory equipment
56. Synchronous timers.
57. Testing panels.
58. Testing resistors.
59. Transformers, Laboratory equipment
60. Tool racks.
61. Vises.
62. Voltmeters, Laboratory equipment
63. Welding apparatus.
64. Wheelbarrows.
65. Work benches.
66. Other testing, laboratory, or research equipment not provided for elsewhere.

396 Power operated equipment

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts. Generally, production vehicles greater than one ton are included within this account. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

EXAMPLE ITEMS

1. Airplanes
2. Air compressors, including driving unit and vehicle.
3. Back filling machines.
4. Boring machines.
5. Bulldozers.
6. Cranes and hoists.
7. Diggers.
8. Engines.
9. Motorcycles
10. Pile drivers.
11. Pipe cleaning machines.
12. Pipe coating or wrapping machines.
13. Special Truck Bodies
14. Stores Trucks, hand and power driven
15. Tractors—Crawler type.
16. Trailers
17. Trenchers.
18. Trucks > one ton
19. Truck chassis
20. Other power operated equipment.

NOTE: It is intended that this account include only such large units as are generally self-propelled or mounted on movable equipment.

397 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 Accounts 353.1, 362.1 Systems communications & control. Telephone systems will be included in Account 391.1 Computer hardware and voice & data network equipment.

EXAMPLE ITEMS

1. Antennae.
2. Cables.
3. Distributing Boards.
4. Extension cords.
5. Insulators.
6. Intercommunicating sets.
7. Loading coils.
8. Mobile Switchboards
9. Mobile communication receiving sets
10. Mobile communication circuits and circuit connections.
11. Phone sets
12. Poles and fixtures used wholly for mobile communication
13. Radio transmitting and receiving sets.
14. Remote control equipment and lines.
15. Sending keys.
16. Storage batteries
17. Testing instruments, used wholly for mobile communication
18. Towers, used wholly for mobile communication
19. Underground conduit, used wholly for mobile communication

398 Miscellaneous equipment

This account shall include the cost of equipment, apparatus, etc., used in the utility operations, which is

not includible in any other account of this system of accounts.

EXAMPLE ITEMS

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 shall be included in the utility plant accounts on a functional basis.

399 Other tangible property

This account shall include the cost of tangible utility plant not provided for elsewhere.

399.1 Asset retirement costs for general plant

This account shall include Asset Retirement Costs on plant included in the general plant function.

399.2 Leasehold improvements

This account shall include the cost of additions, improvements or alterations made to premises the Utility leases from others. The cost of the leasehold improvements shall be amortized in accordance with guidelines outlined in the CICA Handbook Section 3061. Generally amortization is 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 shall be subdivided into as many classifications as are required.

Income Chart of Accounts

1. UTILITY OPERATING INCOME

- 400 Operating revenues (440 to 451.2)
- 401 Operation expense (500 to 999)

- 403 Depreciation and amortization expense
- 403.1 Depreciation expense for asset retirement costs
- 406 Amortization of electric plant acquisition adjustments
- 407.3 Regulatory debits
- 407.4 Regulatory credits
- 408.1 Taxes other than income taxes, utility operating income
- 409.1 Income taxes, utility operating income
- 410.1 Provisions for future income taxes, utility operating income
- 411.6 Gains / Losses from disposition of utility plant
- 411.10 Accretion expense asset retirement obligation
- 412 Revenues from electric plant leased to others
- 413 Expenses of electric plant leased to others

2. OTHER INCOME AND DEDUCTIONS

A. OTHER INCOME

- 417 Revenues from non-utility operations
- 417.1 Expenses of non-utility operations
- 418.1 Equity in earnings of subsidiary companies
- 419 Interest, dividend and other income
- 419.1 Allowance for other funds used during construction

B. OTHER INCOME DEDUCTIONS

- 426 [Reserved]
- 426.1 Donations
- 426.2 Life insurance
- 426.3 Penalties
- 426.4 Expenditures for certain civic, political and related activities
- 426.5 Other deductions

3. INTEREST CHARGES

- 427 Interest on long-term debt
- 430 Interest on debt to associated companies
- 431 Short term interest and other interest expense

4. EXTRAORDINARY ITEMS

- 434 Extraordinary income
- 435 Extraordinary deductions

Income Accounts

400 Operating revenues

There shall be shown under this caption the total amount of the account balances from the related accounts (440 – 451.2 inclusive).

401 Operation & Maintenance expense

There shall be shown under this caption the total amount of the account balances from the related accounts (500 – 999 inclusive).

403 Depreciation and amortization expense

- A. This account shall include the amount of depreciation expense for all classes of depreciable electric plant in service. Records shall be kept that allow depreciation expense to be shown by plant account.
- B. The Utility shall 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 mortality, turnover, or other 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.

NOTE A: Depreciation expense applicable to property included in Account 104, Electric plant leased to others, shall be charged to Account 413, Expenses of electric plant leased to others.

NOTE B: Depreciation expenses applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment and other general equipment may be charged to clearing accounts as necessary in order to obtain a proper distribution of expenses between construction and operation.

NOTE C: Depreciation expense also includes amortization expense, where applicable.

403.1 Depreciation expense for asset retirement costs

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

406 Amortization of electric plant acquisition adjustments

This account shall be debited or credited, as the case may be, with amounts includible in operating expenses, pursuant to approval or order of the Board, for the purpose of providing for the extinguishment of the amount in Account 114, Electric plant acquisition adjustments.

407.3 Regulatory debits

This account shall be debited, when appropriate, with the amounts credited to Account 254.1, Regulatory liabilities, to record regulatory liabilities imposed on the Utility by the ratemaking actions of regulatory agencies. This account shall also be debited, when appropriate, with the amounts credited to Account 182.3, Regulatory assets, concurrent with the recovery of such amounts in rates.

407.4 Regulatory credits

This account shall be credited, when appropriate, with the amounts debited to Account 182.3, Regulatory assets, to establish regulatory assets. This account shall also be credited, when appropriate, with the amounts debited to Account 254.1, Regulatory liabilities, concurrent with the return of such amounts to customers through rates.

408.1 Taxes other than income taxes, utility operating income

- A. This account shall include the amounts of all other taxes assessed by Federal, provincial, municipal, or other local governmental authorities, 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.
- B. This account shall be charged in each accounting period with the amount of taxes which are applicable thereto, with concurrent credits to Account 236, Current income taxes payable, or Account 165, Prepayments, as appropriate. When it is not possible to determine the exact amount of taxes, the amounts shall be estimated and adjustments made in current accruals as the actual tax levies become known.
- C. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made.

NOTE 1: Special assessments for street and similar improvements shall be included in the appropriate utility plant or non-utility property account.

NOTE 2: Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE 3: Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

NOTE 4: Interest on tax refunds or deficiencies shall not be included in these accounts but in Account 419, Interest, dividend and other income, or Account 431, Short term interest and other interest expense, as appropriate.

409.1 Income taxes, utility operating income

This account shall include the amounts of local, provincial and Federal 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 shall be made to Account 236, Current income taxes payable, and as the exact amounts of taxes become known, the current tax accruals shall be adjusted by charges or credits to these accounts, so that these accounts as nearly as can be ascertained shall include the actual taxes payable by the Utility.

NOTE 1: Taxes assumed by the Utility on interest shall be charged to Account 431, Short term interest and other interest expense.

NOTE 2: Interest on tax refunds or deficiencies shall not be included in these accounts but in Account 419, Interest, dividend and other income, or Account 431, Short term interest and other interest expense, as appropriate.

410.1 Provision for future income taxes, utility operating income

The balance in this account shall represent the amount provided for future income taxes in the fiscal year. The offsetting entry to this provision should be to Account 190, Accumulated future income taxes (debit) and /or Account 281 Accumulated future income taxes (credit) as provided by the text of those accounts.

411.6 Gains / Losses from disposition of utility plant

- A. This account shall include, as approved by the Board, amounts relating to gains or losses from the disposition of future use utility plant including amounts which were previously recorded in and transferred from Account 105, Electric plant held for future use, under the provisions of paragraphs B, C, and D thereof. Income taxes relating to gains recorded in this account shall be recorded in Account 409.1, Income taxes, utility operating income.
- B. The Utility shall 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 Instruction 21. (See also Electric Plant Instructions 6 and 8)

411.10 Accretion expense from asset retirement obligation

This account shall be charged for accretion expense on the liabilities associated with asset retirement obligations included in Account 230, Asset retirement obligations, related to electric utility plant.

412 Revenues from electric plant leased to others

413 Expenses of electric plant leased to others

- A. These accounts shall include respectively, revenues from electric property constituting a distinct operating unit or system leased by the Utility to others, and which property is properly includible in Account 104, Electric plant leased to others, and the expenses attributable to such property.
- B. The detail of expenses shall be kept or supported so as to show separately the following:
 - Operation and Maintenance.
 - Depreciation.
 - Amortization.

NOTE: Related taxes shall be recorded in Account 408.1, Taxes other than income taxes, utility operating income, or Account 409.1, Income taxes, utility operating income, as appropriate.

417 Revenues from non-utility operations

417.1 Expenses of non-utility operations

- A. These accounts shall include revenues and expenses applicable to operations which are non-utility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as the operation of an ice department where applicable statutes do not define such operation as a utility, or the operation of a servicing organization for furnishing supervision, management, engineering, and similar services to others.
- B. The expenses shall include all elements of costs incurred in such operations, and the accounts shall be maintained so as to permit ready summarization as follows:
 - Operation and Maintenance.
 - Rents.
 - Depreciation.
 - Amortization.

NOTE: Related taxes shall be recorded in Account 426.5 Other deductions.

418.1 Equity in earnings of subsidiary companies

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

419 Interest, dividend and other income

- A. This account shall include 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.

- B. This account may include the pro rata amount necessary to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the Utility and the face value of interest-bearing securities. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried.
- C. Where significant in amount, expenses, excluding operating taxes and income taxes, applicable to security investments and to interest and dividend revenues thereon shall be charged hereto.

NOTE: Interest accrued, the payment of which is not reasonably assured, dividends receivable which have not been declared or guaranteed, and interest or dividends upon reacquired securities issued or assumed by the Utility shall not be credited to this account.

419.1 Allowance for other funds used during construction

This account shall include concurrent credits for allowance for other funds used during construction, not to exceed amounts computed in accordance with the formula prescribed in Electric Plant Instruction 3(17).

426 [Reserved]

SPECIAL INSTRUCTIONS—ACCOUNTS 426.1, 426.2, 426.3, 426.4 AND 426.5

These accounts shall include miscellaneous expense items which are non-operating in nature but which are properly deductible before determining total income before interest charges.

NOTE: The classification of expenses as non-operating and their inclusion in these accounts is for accounting purposes. It does not preclude Board consideration of proof to the contrary for ratemaking or other purposes.

426.1 Donations

This account shall include all payments or donations for charitable, social or community welfare purposes.

426.2 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).

426.3 Penalties

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

426.4 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.

426.5 Other deductions

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

EXAMPLE ITEMS

1. Loss relating to investments in securities written-off or written-down.
2. Loss on sale of investments.
3. Loss on reacquisition, resale or retirement of Utility's debt securities, when the loss is not amortized and used by a jurisdictional regulatory agency to increase embedded debt cost in establishing rates. See General Instruction 14.
4. Preliminary survey and investigation expenses related to abandoned projects, when not written-off to the appropriate operating expense account.
5. Costs of preliminary abandonment costs recorded in Account 411.6 Gains / Losses on disposition of utility plant or Account 186, Miscellaneous deferred debits.

6. The Utility shall record in this account losses resulting from the settlement of asset retirement obligations related to non-utility plant in accordance with the accounting prescribed in General Instruction 21.

427 Interest on long-term debt

- A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the Utility, the liability for which is included in Account 221, Bonds and other long-term debt.
- B. Include within this account amounts amortized for financial fees, premiums and discounts.
- C. This account shall be so kept or supported as to show the interest accruals on each class and series of long-term debt.

NOTE: This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

430 Interest on debt to Associated Companies

- A. This account shall include the interest accrued on amounts included in Account 223, Advances from Associated Companies, and on all other obligations to Associated Companies.
- B. The records supporting the entries to this account shall 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.

431 Short-term interest and other interest expense

This account shall include all interest charges not provided for elsewhere.

EXAMPLE ITEMS

1. Interest on notes payable on demand or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.
2. Interest on customers' deposits.
3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.
4. Income and other taxes levied upon bondholders of the Utility and assumed by it.
5. Include within this account amounts amortized for financial fees, premiums and discounts.

434 Extraordinary income

This account shall be credited with gains of unusual nature and infrequent occurrence, which would significantly distort the current year's income computed before Extraordinary Items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 409.1, Income taxes, utility operating income. (See General Instruction 7)

435 Extraordinary deductions

This account shall be debited with losses of unusual nature and infrequent occurrence, which would significantly distort the current year's income computed before Extraordinary Items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 409.1, Income taxes, utility operating income. (See General Instruction 7)

Operating Revenue Chart of Accounts

SALES OF ELECTRICITY

- 440 – 450 Distribution revenues
- 451 Miscellaneous service revenues
 - 451.1 Revenue – Affiliates & Inter-Affiliates
 - 451.2 Miscellaneous service revenue – other
- 458 Transmission tariff

Operating Revenue Accounts

440 – 450 Distribution revenues

These accounts shall include all tariff revenues of the distribution Utilities. The distribution revenue shall be reported by the rate classes of the Utility and the Utility shall assign account numbers within the prescribed range such that each rate class receives its own account number. If required, account numbers may be assigned utilizing a decimal if the number of rate classes so requires (example 440.1)

451 Miscellaneous service revenues

451.1 Revenue – Affiliates & Inter-Affiliates

This account shall include all revenues (tariff, non-conventional or non-tariff) for services and charges billed to affiliates, in accordance with the provisions of each Utilities' Inter-Affiliate Code of Conduct, relating to affiliate transactions. 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.

451.2 Miscellaneous revenue – other

This account shall include 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.

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.

458 Transmission tariff

A. This account shall include all tariff revenues from the AESO.

B. Within this account, Distribution companies will include credits received from the system operator (AESO) for "farm transmission costs."

NOTE: Other than electricity supplied in B above, this account will only be utilized by Transmission Utilities to record revenues from Transmission tariffs. Distribution Utilities will use accounts 440 – 450, 451-451.2 to record their Distribution and Transmission tariff and non-tariff revenue and revenue billing.

Operation and Maintenance Expense Chart of Accounts

1. POWER PRODUCTION EXPENSES

A. HYDRAULIC POWER GENERATION

Operation & Maintenance

537 Hydraulic expenses

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B. OTHER POWER GENERATION & SUPPLY EXPENSES

Operation & Maintenance

546 Combustion engines / turbine operations
547 Fuel
554 Combustion engines / turbine maintenance
557 Other expenses

2. TRANSMISSION EXPENSES

Operation & Maintenance

560 Operation & Maintenance Supervision and engineering
561 Operation & Maintenance Control centre operations
562 Operation & Maintenance Station equipment expenses
563 Operation & Maintenance Overhead lines expenses
564 Operation & Maintenance Underground lines expenses
566 Operation & Maintenance Miscellaneous transmission expenses
567 Operation & Maintenance Right of way payments
569 Operation & Maintenance of structures
571.1 Operation & Maintenance vegetation management
575 Operation & Maintenance IT support

3. DISTRIBUTION EXPENSES

Operation & Maintenance

580 Operation & Maintenance Supervision and engineering
581 Operation & Maintenance Control centre operations
582 Operation & Maintenance Station equipment expenses
583 Operation & Maintenance Overhead line expenses
584 Operation & Maintenance Underground line expenses
585 Operation & Maintenance Street lighting and signal system expenses
586 Operation & Maintenance Meter expenses
587 Operation & Maintenance Customer installations expenses
588 Operation & Maintenance Miscellaneous distribution expenses
589 Operation & Maintenance Right Of way payments
591 Operation & Maintenance of structures
593.1 Operation & Maintenance vegetation management
595 Operation & Maintenance of line transformers
599 Operation & Maintenance IT support

4. CUSTOMER ACCOUNTS EXPENSES

Operation

901 Supervision
902 Meter reading expenses
903 Customer records and collection expenses
904 Uncollectible accounts
905 Miscellaneous customer accounts expenses
905.1 IT customer service

5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES

Operation

907 Supervision
908 Customer assistance expenses
909 Informational and instructional advertising expenses
910 Miscellaneous customer service and informational expenses

6. SALES EXPENSES

Operation

916 Miscellaneous sales expenses

7. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

- 920 Administrative and general salaries
- 921 Office supplies and expenses
- 922 Administrative expenses transferred— Credit
- 923 Outside services employed
- 924 Insurance premiums
- 925 Injuries and damages
- 926 Employee pensions and benefits
- 928 Board expenses
- 930.1 General advertising expenses
- 930.2 Miscellaneous general expenses
- 931 Rents
- 931.1 Head office rent
- 934 IT G & A expense
- 935 Maintenance of general plant
- 941 Board expenses disallowed

8. LOAD SETTLEMENT EXPENSES

Operation

- 944 Load settlement
- 944.1 IT load settlement

Operation and Maintenance Expense Accounts

537 Hydraulic expenses

This account shall include the cost of labor, 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 shall also include the cost of labor, materials used and other expenses incurred in connection with the operation and maintenance of (a) fish and wildlife, and (b) recreation facilities. It shall also include 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.

EXAMPLE ITEMS

Labor:

1. Supervising hydraulic operation.
2. Removing debris and ice from trash racks, reservoirs and waterways.
3. Patrolling reservoirs and waterways.
4. Operating intakes, spillways, sluiceways, and outlet works.
5. Operating bubbler, heater or other deicing systems.
6. Ice and log jam work.
7. Operating navigation facilities.
8. Operations relating to conservation of game, fish, forests, etc.
9. Insect control activities.
10. Supervising electric production.
11. Operating prime movers, generators and auxiliary equipment.
12. Operating generator cooling system.
13. Operating lubrication and oil control systems, including oil purification.
14. Operating switchboards, switchgear, and electric control and protection equipment.
15. Keeping plant log and records and pre-paring reports on plant operations.
16. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls, and other equipment in the plant.
17. Cleaning plant equipment when not incidental to maintenance work.
18. Repacking glands.
19. General clerical and stenographic work.
20. Guarding and patrolling plant and yard.
21. Building service.
22. Care of grounds including snow removal, cutting grass, etc.

23. Snow removal from roads and bridges.
24. Miscellaneous labor.

Materials and Expenses:

25. Insect control materials.
26. Lubricants, packing, and other supplies used in operation of hydraulic equipment.
27. Transportation expense.
28. Lubricants and control system oils.
29. Motor and generator brushes.
30. General operating supplies, such as tools, gaskets, packing, waste, hose, indicating lamps, record and report forms, etc.
31. First-aid supplies and safety equipment.
32. Employees' service facilities expenses.
33. Building service supplies.
34. Communication service.
35. Office supplies, printing and stationery.
36. Transportation expenses.
37. Fuel.
38. Meals, traveling and incidental expenses.
39. Research, development, and demonstration expenses.

546 Combustion engines / turbines operations

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of other power generating stations. This account shall also include the cost of labor, 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 shall include the cost of labor, materials used and expenses incurred in the operation of other power generating stations. (See Operating Expense Instructions 1 and 2)

EXAMPLE ITEMS:

1. Supervising other power generation operation.
2. Operating prime movers, generators and auxiliary apparatus and switching and other electric equipment.
3. Keeping plant log and records and pre-paring reports on plant operations.
4. Testing, checking, cleaning, oiling and adjusting equipment.
5. General clerical and stenographic work.
6. Guarding and patrolling plant and yard.
7. Building service.
8. Care of grounds, including snow removal, cutting grass, etc.
9. Miscellaneous labor.
10. Supervising other power generation operation.
11. Operating prime movers, generators and auxiliary apparatus and switching and other electric equipment.
12. Keeping plant log and records and pre-paring reports on plant operations.
13. Testing, checking, cleaning, oiling and adjusting equipment.
14. General clerical and stenographic work.
15. Guarding and patrolling plant and yard.
16. Building service.
17. Care of grounds, including snow removal, cutting grass, etc.
18. Miscellaneous labor.

Materials and Expenses:

19. Dynamo, motor, and generator brushes.
20. Lubricants and control system oils.
21. Water for cooling engines and generators
22. Building service supplies.
23. First-aid supplies and safety equipment.
24. Communication service.
25. Employees' service facilities expenses.
26. Office supplies, printing and stationery.
27. Transportation expense.
28. Meals, traveling and incidental expenses.
29. Fuel for heating.
30. Water for fire protection or general use.

31. Miscellaneous supplies, such as hand tools, drills, saw blades, files, etc.
32. Research, development, and demonstration expenses.

547 Fuel

This account shall include the cost delivered at the station of all fuel, such as gas, oil, kerosene, and gasoline used in other power generation. (See Account 151, Fuel stock)

554 Combustion engines / turbines maintenance

This account shall include the cost of labor, materials used and expenses incurred in maintenance of other power generation plant, the book cost of which is includible in accounts 341 to 346, inclusive. (See Operating Expense Instruction 1 and 2)

557 Other expenses

- A. This account shall be charged with any production expenses including expenses incurred directly in connection with the purchase of electricity, which are not specifically provided for in other production expense accounts. Charges to this account shall be supported so that a description of each type of charge will be readily available.
- B. 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 shall be credited to this account.

560 Operation and Maintenance Supervision and engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation and maintenance of the transmission system as a whole. (Example Activities are outlined in accounts 561, 562, 563, 564, 566). Direct supervision of the same, shall be charged to the appropriate account. (See Operating Expense Instruction 1)

561 Operation and Maintenance Control centre operations

This account shall include the cost of labor, materials used and expenses incurred in control centre operations pertaining to the transmission of electricity.

EXAMPLE ITEMS

Labor:

1. Directing switching.
2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
3. Controlling system voltages.
4. Obtaining reports on the weather and special events.
5. Preparing operating reports and data for billing and budget purposes.
6. Maintaining the SCADA system

Expenses:

7. Communication service provided for system control purposes.
8. System record and report forms.
9. Meals, traveling and incidental expenses.
10. Obtaining weather and special events reports.
11. Contractor costs

562 Operation and Maintenance Station equipment expenses

This account shall include the cost of labor, materials used and expenses incurred in operating and maintenance of transmission sub-stations and switching stations, the book cost of which is includible in Account 353, Station equipment. If transmission station equipment is located in or adjacent to a generating station the expenses applicable to transmission station operations shall nevertheless be charged to this account.

EXAMPLE ITEMS

Labor:

1. Directly supervising station operation.

2. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine or changing voltage of regulators, changing station transformer taps.
3. Inspecting, testing and calibrating station equipment for the purpose of checking its performance.
4. Keeping station log and records and pre-paring reports on station operation.
5. Operating switching and other station equipment.
6. Standing watch, guarding, and patrol-ling station and station yard.
7. Sweeping, mopping, and tidying station.
8. Care of grounds, including snow removal, cutting grass, etc.

Materials and Expenses:

9. Building service expenses.
10. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
11. Station meter and instrument supplies, such as ink and charts.
12. Station record and report forms.
13. Tool expense.
14. Transportation expenses.
15. Meals, traveling, and incidental expenses.

563 Operation and Maintenance Overhead line expenses

This account shall include the cost of labor, materials used and expenses incurred in operation and maintenance of transmission plant, the book cost of which is includible in Accounts 354, Towers and fixtures, 355, Poles and fixtures, 356, Overhead conductors and devices. (See Operating Expense Instruction 1 and 2)

EXAMPLE ITEMS

1. Work of the following character on poles, towers and fixtures:
 - a. Installing or removing additional clamps or strain insulators on guys in place.
 - b. Moving line or guy pole in relocation of the same pole or section of line.
 - c. Painting poles, towers, crossarms or pole extensions.
 - d. Readjusting and changing position of guys or braces.
 - e. Realigning and straightening poles, cross arms braces, and other pole fixtures.
 - f. Reconditioning reclaimed pole fixtures.
 - g. Relocating crossarms, racks, brackets, and other fixtures on poles.
 - h. Repairing or realigning pins, racks, or brackets.
 - i. Repairing pole supported platform.
 - j. Repairs by others to jointly owned poles.
 - k. Shaving, cutting rot, or treating poles or crossarms in use or salvaged for reuse.
 - l. Stubbing poles already in service.
 - m. Supporting fixtures and conductors and transferring them to new pole during poles replacements.
 - n. Maintenance of pole signs, stencils, tags, etc.
2. Work of the following character on over-head conductors and devices:
 - a. Overhauling and repairing line cutouts, line switches, line breakers, etc.
 - b. Cleaning insulators and bushings.
 - c. Refusing cutouts.
 - d. Repairing line oil circuit breakers and associated relays and control wiring.
 - e. Repairing grounds.
 - f. Retagging, retying, or rearranging position or spacing of conductors.
 - g. Standing by phones, going to calls, cut-ting faulty lines clear, or similar activities at times of emergencies.
 - h. Sampling, testing, changing, purifying, and replenishing insulating oil.
 - i. Repairing line testing equipment.
 - j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
3. Work of the following character on roads and trails:
 - a. Repairing roadway, bridges, etc.
 - b. Snow removal from roads and trails.
 - c. Maintenance work on publicly owned roads and trails when done by the Utility at its expense.

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

564 Operation and Maintenance Underground line expenses

- A. These accounts shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of transmission lines, the book cost of which is includible in Account 358, Underground conductors and devices. (See Operating Expense Instruction 1 and 2).
- B. If the expenses are not substantial for both overhead and underground lines, these accounts may be combined.

EXAMPLE ITEMS

- 1. Operational work of the following character:
 - a. Supervising line operation.
 - b. Inspecting and testing lightning arresters, circuit breakers, switches, and grounds
 - c. Load tests of circuits.
 - d. Routine line patrolling.
 - e. Routine voltage surveys made to determine the condition or efficiency of transmission system.
 - f. Transferring loads, switching and reconnecting circuits and equipment for operating purposes. (Switching for construction or maintenance purposes is not includible in this account.)
 - g. Routine inspection and cleaning of man-holes, conduit, network and transformer vaults.
 - h. Electrolysis surveys.
 - i. Inspecting and adjusting line-testing equipment, such as voltmeters, ammeters, wattmeters, etc.
 - j. Regulation and addition of oil or gas in high-voltage cable systems.
- 2. Maintenance work of the following character:
 - a. Cleaning ducts, manholes, and sewer connections.
 - b. Minor alterations of hand holes, man-holes, or vaults.
 - c. Refastening, repairing, or moving racks, ladders, or hangers in manholes, or vaults.
 - d. Plugging and shelving or re-plugging ducts.
 - e. Repairs to sewers and drains, walls and floors, rings and covers.
 - f. Repairing oil circuit breakers, switches, cutouts, and control wiring.
 - g. Repairing grounds.
 - h. Retraining and reconnecting cables in manhole, including transfer of cables from one duct to another.
 - i. Repairing conductors and splices.
 - j. Repairing or moving junction boxes and potheads.
 - k. Re-fireproofing of cables and repairing supports.
 - l. Repairing electrolysis preventive de-vices for cables.
 - m. Repairing cable bonding systems.
 - n. Sampling, testing, changing, purifying and replenishing insulating oil.
 - o. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
 - p. Repairing line testing equipment.
 - q. Repairs to oil or gas equipment in high voltage cable system and replacement of oil or gas

Materials and Expenses:

- a. Transportation expenses.
- b. Meals, traveling and incidental expenses.
- c. Tool expenses.
- d. Operating supplies, such as instrument charts, rubber goods, etc.

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

566 Operation and Maintenance Miscellaneous transmission expenses

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

EXAMPLE ITEMS

Labor:

1. General records of physical characteristics of lines and stations, such as capacities, etc.
2. Land records including the administration of crossing and processing of agreements, planning commission circulations, encroachments and easement inquires or complaints.
3. Ground resistance records.
4. Janitor work at transmission office buildings, including care of grounds, snow removal, cutting grass, etc.
5. Joint pole maps and records.
6. Line load and voltage records.
7. Preparing maps and prints.
8. General clerical and stenographic work.
9. Miscellaneous labor.

Materials and Expenses:

10. Building service supplies.
11. Map and record supplies.
12. Transmission office supplies and expenses, printing and stationery.
13. First-aid supplies.
14. Research, development, and demonstration expenses.

567 Operation and Maintenance Right of way payments

- A. The expense associated with operating and maintaining transmission right of way properties is the only expenditures to be accounted for within this account. (See Operating Expense Instruction 3.)
- B. If payments cover property used for more than one function, such as production plant and transmission, or by more than one department, the payment shall be apportioned to the appropriate account on an actual, or if necessary, an estimated basis.
- C. The costs for the property when incurred by the Utility shall be charged to the accounts appropriate for the expense, as if the property were owned.

569 Operation & Maintenance of structures

This account shall include the cost of labor, materials used and expenses incurred in the operations and maintenance of structures, the book cost of which is includible in Account 352, Structures and improvements. (See Operating Expense Instruction 1 and 2)

571.1 Operation and Maintenance of vegetation management

This account shall include 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.

EXAMPLE ITEMS:

Labour:

1. Contract or internal labour associated with trimming, slashing, mowing of trees and brush.
2. Management and supervision of contract crews assigned to vegetation maintenance duties.
3. Application of herbicides to control brush or noxious weeds.
4. The application of herbicides to control weeds in or around substations, switching cubicles or other underground devices.
5. Chemical treatment of right of way areas, other than the initial application occurring as a result of construction of line.

Expenses:

6. System record and report forms associated with vegetation management
7. Meals, traveling and incidental expenses,
8. Materials used in vegetation management

575 Operation and Maintenance IT support

This account shall include the cost of labor, 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.

EXAMPLE Systems Supported:

- AMFM (Geographical Information Systems)
- Crew Dispatch Applications
- Repair tracking tools
- Workforce management systems
- Outage reporting and management systems
- Data reliability applications

580 Operation & Maintenance Supervision and engineering

This account shall include the cost of labor 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. (See Operating Expense Instruction 1)

581 Operation and Maintenance Control centre operations

This account shall include the cost of labor, materials used and expenses incurred in load, crew and lineman dispatching operations and maintenance pertaining to the distribution of electricity.

EXAMPLE ITEMS

Labor:

1. Directing switching.
2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
3. Controlling system voltages.
4. Preparing operating reports.
5. Obtaining reports on the weather and special events. Expenses:
6. Directing crews and lineman in day-to-day activities or service restoration.
7. Maintaining SCADA equipment

Expenses:

8. Communication service provided for sys-tem control purposes.
9. System record and report forms.
10. Meals, traveling and incidental expenses.
11. Contractor costs

582 Operation and Maintenance Station equipment expenses

This account shall include the cost of labor, materials used and expense incurred in operation and maintenance of plant, the book cost of which is includible in Account 362, Station equipment and Account 363 Storage battery equipment. Refer to Account 584, Underground line expenses, for example activities to include in this account. (See Operating expense Instruction 1 and 2).

583 Operation and Maintenance Overhead line expenses

This account shall include the cost of labor, materials used and expenses incurred in the operations and maintenance of overhead distribution line facilities, the book cost of which is includible in Account 364, Poles, towers and fixtures, and Account 365, Overhead conductors and devices. (See Operating Expense Instruction 1 and 2)

EXAMPLE ITEMS

1. Work of the following character on poles, towers, and fixtures:
 - a. Installing additional clamps or removing clamps or strain insulators on guys in place.
 - b. Moving line or guy pole in relocation of pole or section of line.
 - c. Painting poles, towers, crossarms, or pole extensions.
 - d. Readjusting and changing position of guys or braces.
 - e. Realigning and straightening poles, crossarms, braces, pins, racks, brackets, and other pole fixtures.
 - f. Reconditioning reclaimed pole fixtures.
 - g. Relocating crossarms, racks, brackets, and other fixtures on poles.
 - h. Repairing pole supported platform.
 - i. Repairs by others to jointly owned poles.
 - j. Shaving, cutting rot, or treating poles or crossarms in use or salvaged for reuse.
- k. Stubbing poles already in service.
- l. Supporting conductors, transformers, and other fixtures and transferring them to new poles

- during pole replacements.
 - m. Maintaining pole signs, stencils, tags, etc.
2. Work of the following character on over-head conductors and devices:
- a. Overhauling and repairing line cutouts, line switches, line breakers, and capacitor installations.
 - b. Cleaning insulators and bushings.
 - c. Refusing line cutouts.
 - d. Repairing line oil circuit breakers and associated relays and control wiring.
 - e. Repairing grounds.
 - f. Retagging, retying, or rearranging position or spacing of conductors.
 - g. Standing by phones, going to calls, cut-ting faulty lines clear, or similar activities at times of emergency.
 - h. Sampling, testing, changing, purifying, and replenishing insulating oil.
 - i. Transferring loads, switching, and reconnecting circuits and equipment for maintenance purposes.
 - j. Repairing line testing equipment.
3. Work of the following character on over-head services:
- a. Moving position of service either on pole or on customers' premises.
 - b. Pulling slack in service wire.
 - c. Retying service wire.
 - d. Refastening or tightening service bracket.

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

584 Operation and Maintenance Underground line expenses

This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of underground distribution lines, the book cost of which is includible in Account 367, Underground conductors and devices. (See Operating Expense Instruction 1 and 2).

EXAMPLE ITEMS

1. Line work of the following character:
- a. Supervising line operation.
 - b. Changing line transformer taps.
 - c. Inspecting and testing lightning arresters, line circuit breakers, switches and grounds.
 - d. Inspecting and testing line transformers for the purpose of determining load, temperature or operating performance.
 - e. Patrolling lines.
 - f. Load tests and voltages surveys of feeders, circuits and line transformers.
 - g. Removing line transformers and voltage regulators with or without replacements.
 - h. Installing line transformers or voltage regulators with or without change in capacity provided that the first installation of these items is included in Account 368, Line transformers.
 - i. Voltage surveys, either routine or upon request of customers, including voltage tests at customers' main switch.
 - j. Transferring loads, switching and re-connecting circuits and equipment for operation purposes.
 - k. Electrolysis surveys.
 - l. Inspecting and adjusting line testing equipment.
2. Station work of the following character:
- a. Supervising station operation.
 - b. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine, changing voltage of regulators or changing station transformer taps.
 - c. Keeping station log and records and pre-paring reports on station operation.
 - d. Inspecting, testing and calibrating station equipment for the purpose of checking its performance.
 - e. Operating switching and other station equipment.
 - f. Standing watch, guarding and patrolling station and station yard.
 - g. Sweeping, mopping and tidying station.
 - h. Care of grounds, including snow removal, cutting grass, etc.

3. Work of the following character on underground conduit, services, conductors and devices:
- a. Cleaning ducts, manholes, and sewer connections.
 - b. Moving or changing position of conduit or pipe.
 - c. Minor alterations of hand holes, man-holes, or vaults.
 - d. Refastening, repairing, or moving racks, ladders, or hangers in manholes or vaults.
 - e. Plugging and shelving ducts.
 - f. Repairs to sewers, drains, walls, and floors, rings and covers.
 - g. Service restoration of slump trench
 - h. Repairing circuit breakers, switches, cutouts, network protectors and associated relays and control wiring.
 - i. Repairing grounds.
 - j. Retraining and reconnecting cables in manholes including transfer of cables from one duct to another.
 - k. Repairing conductors and splices.
 - l. Repairing or moving junction boxes and potheads or terminators
 - m. Re-fireproofing cables and repairing sup-ports.
 - n. Repairing electrolysis preventive de-vices for cables.
 - o. Repairing cable bonding systems.
 - p. Sampling, testing, changing, purifying and replenishing insulating oil.
 - q. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
 - r. Repairing line testing equipment.
 - s. Repairing oil or gas equipment in high voltage cable systems and replacement of oil or gas.
 - t. Restoration associated with oil spills from padmount equipment
 - u. Repainting of padmount transformers, pedestals and switching cubicles
 - v. Straightening or resetting padmount equipment
 - w. Cleaning ducts.
 - x. Repairing any underground service plant.
4. Expenses:
- a. Tool expenses.
 - b. Transportation expenses.
 - c. Meals, traveling and incidental expense.
 - d. Operating supplies, such as instrument charts, rubber goods, lubricants, commutator brushes, water and rubber goods, etc.
 - e. Building service expenses
 - f. Station meter and instrument supplies, such as ink and charts.
 - g. Station record and report forms.

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

NOTE B: If the Utility owns storage battery equipment used for supplying electricity to customers in periods of emergency, the cost of operating and maintenance labor 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.

585 Operation and Maintenance Street lighting and signal system expenses

This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of street lighting and signal system plant, the book cost of which is includible in Account 373, Street lighting and signal systems. (See Operating Expense Instruction 1 and 2). 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.

EXAMPLE ITEMS

Labor:

- 1. Supervising street lighting and signal systems operation
- 2. Replacing individual lamps and incidental cleaning of glassware and fixtures in connection therewith.
- 3. Routine patrolling for lamp outages, extraneous nuisances or encroachments, etc.
- 4. Testing lines and equipment including voltage and current measurement.

5. Winding and inspection of time switch and other controls.

Materials and Expenses:

6. Street lamps.
7. Transportation and tool expense.
8. Meals, traveling, and incidental expenses.

586 Operation and Maintenance meter expenses

This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of customer meters and associated equipment, the book cost of which is includible in Account 370, Conventional meters and Account 371 Automated meters. (See Operating Expense Instruction 1 and 2).

EXAMPLE ITEMS

Labor:

1. Supervising meter operation.
2. Clerical work on meter history and associated equipment record cards, test cards, and reports.
3. Consolidating meter installations due to elimination of separate meters for different rates of service.
4. Changing or relocating meters, instrument transformers, time switches, and other metering equipment.
5. Resetting time controls, checking operation of demand meters and other metering equipment, when done as an independent operation.
6. Inspecting and adjusting meter testing equipment.
7. Inspecting and testing meters, instrument transformers, time switches, and other metering equipment on premises or in shops excluding inspecting and testing incidental to maintenance.
8. Performance of compliance audits internal and federal.

Materials and Expenses:

9. Meter seals and miscellaneous meter supplies.
10. Transportation expenses.
11. Meals, traveling, and incidental expenses.
12. Tool expenses.
13. Federal fees for certification of test equipment, meters and audits
14. Internal and external audit costs

NOTE: The cost of setting and testing of a meter is chargeable to utility plant Account 370, Conventional meters and Account 371, Automated meters.

587 Operation and Maintenance Customer installations expenses

This account shall include the cost of labor, materials used and expenses incurred in work on customer installations in inspecting premises and in rendering services to customers of the nature of those indicated by the list of items hereunder.

EXAMPLE ITEMS

Labor:

1. Supervising customer installations work.
2. Inspecting premises, including check of wiring for code compliance.
3. Investigating, locating, and clearing grounds on customers' wiring.
4. Investigating service complaints, including load tests of motors and lighting and power circuits on customers' premises; field investigations of complaints on bills or of voltage.
5. Installing, removing, renewing, and changing lamps and fuses.
6. Radio, television and similar interference work including erection of new aerials on customers' premises and patrolling of lines, testing of lightning arresters, inspection of pole hardware, etc., and examination on or off premises of customers' appliances, wiring, or equipment to locate cause of interference.
7. Installing, connecting, reinstalling, or removing leased property on customers' premises.
8. Testing, adjusting, and repairing customers' fixtures and appliances in shop or on premises.
9. Cost of changing customers' equipment due to changes in service characteristics.
10. Investigation of current diversion including setting and removal of check meters and securing special readings thereon; special calls by employees in connection with discovery and settlement of current diversion; changes in customer wiring and any other labor cost identifiable as caused by current diversion.
11. Time, material and expenses incurred to provide contracted services on customer owned

facilities including customer owned street lighting systems.

12. Time, material and expense for contracted services provided by a distribution Utility to an industrial, generation or transmission company.

Materials and Expenses:

13. Lamp and fuse renewals for customers.
14. Materials used in servicing customers' fixtures, appliances and equipment.
15. Power, light, heat, telephone, and other expenses of appliance repair department.
16. Tool expense.
17. Transportation expense, including pick-up and delivery charges.
18. Meals, traveling and incidental expenses.
19. Rewards paid for discovery of current diversion.

588 Operation and Maintenance Miscellaneous distribution expenses

This account shall include the cost of labor, materials used and expenses incurred in distribution system operation and maintenance not provided for elsewhere.

EXAMPLE ITEMS

Labor:

1. General records of physical characteristics of lines and substations, such as capacities, etc.
2. Ground resistance records.
3. Joint pole maps and records.
4. Distribution system voltage and load records.
5. Preparing maps and prints.
6. Service interruption and trouble records.
7. General clerical and stenographic work except that chargeable to Account 586, Operation and Maintenance Meter expenses.
8. Land records including the administration of crossing and processing of agreements, planning commission circulations encroachments and easements inquires or complaints.
9. Work of similar nature to that listed in other distribution operation and maintenance accounts.

Materials and Expenses:

10. Operating records covering poles, trans-formers, manholes, cables, and other distribution facilities. Exclude meter records chargeable to Account 586. Operation and Maintenance Meter expenses and station records chargeable to Account 582, Operation and Maintenance Station expenses
11. Janitor work at distribution office buildings including snow removal, cutting grass, etc.
12. Building service expenses.
13. Miscellaneous office supplies and expenses, printing, and stationery, maps and records and first-aid supplies.
14. Research, development, and demonstration expenses
15. Maintenance of office furniture and equipment used by distribution system control centre department. (See Account 362.1 System communication & control)
16. Fees associated with distribution fringe service areas.

589 Operation and Maintenance Right of way payments

- A. The expense associated with operating and maintaining distribution right of way properties is the only expenditure to be accounted for within this account. (See Operating Expense Instruction 3.)
- B. If payments cover property used for more than one function, such as production plant and transmission, or by more than one department, the payment shall be apportioned to the appropriate account on an actual, or if necessary, an estimated basis.
- C. The costs for the property when incurred by the Utility shall be charged to the accounts appropriate for the expense, as if the property were owned.

591 Operation & Maintenance of structures

This account shall include the cost of labor, materials used and expenses incurred in operation and maintenance of structures, the book cost of which is includible in Account 361, Structures and improvements. (See Operating Expense Instruction 1 and 2)

593.1 Operation and Maintenance vegetation management

This account shall include 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.

EXAMPLE ITEMS:

Labour:

1. Contract or internal labour associated with trimming, slashing or mowing of trees and brush.
2. Management and supervision of contract crews assigned to vegetation maintenance duties.
3. Application of herbicides to control brush or noxious weeds.
4. The application of herbicides to control weeds in or around substations, switching cubicles or other underground devices.
5. Chemical treatment of right of way areas, other than the initial application occurring as a result of construction of line.

Expenses:

1. System record and report forms associated with vegetation management
2. Meals, traveling and incidental expenses,
3. Materials used in vegetation management

595 Operation & Maintenance of line transformers

This account shall include the cost of labor, materials used and expenses incurred in operation and maintenance of distribution line transformers, the book cost of which is includible in Account 368, Line transformers. (See Operating Expense Instruction 1 and 2)

599 Operation and Maintenance Operation & Maintenance IT support

This account shall include the cost of labor, 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.

EXAMPLE Systems Supported:

- AMFM (Geographical Information Systems)
- Crew Dispatch Applications
- Repair tracking tools
- Workforce management systems
- Outage reporting and management systems
- Data reliability applications

901 Supervision

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer accounting and collecting activities. Direct supervision of a specific activity shall be charged to Account 902, Meter reading expenses, or Account 903, Customer records and collection expenses, as appropriate. (See Operating Expense Instruction 1)

902 Meter reading expenses

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

EXAMPLE ITEMS

Labor:

1. Preparatory costs for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Inspecting time clocks, checking seals, etc., when performed by meter readers.
4. Reading meters, including demand meters.
5. Collecting from prepayment meters.
7. Maintaining records.
8. Computing estimated or average consumption.

Materials and Expenses:

9. Badges, lamps, and uniforms.
10. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.

903 Customer records and collection expenses

This account shall include all costs related to work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints. 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 ACTIVITIES:

- Customer Service Contact Centre (related staff charges and expenses)
- Back office analysis
- Banking Fees in relation to billing and collection
- Billing staff chares and expenses
- Third Party Billing Agency Fees
- Third Party Collection Agency Fees

NOTE: The cost of work on meter history and meter location records is chargeable to Account 586, Operation & Maintenance Meter expenses.

EXAMPLE ITEMS

Labor:

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.
3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.
4. Preparing billing data.
5. Operating billing and bookkeeping machines.
6. Verifying billing records with contracts or rate schedules.
7. Preparing bills for delivery, and mailing or delivering bills.
8. Collecting revenues, including collection from prepayment meters unless incidental to meter-reading operations.
9. Balancing collections, preparing collections for deposit, and preparing cash reports.
10. Posting collections and other credits or charges to customer accounts and extending unpaid balances.
11. Balancing customer accounts and controls.
12. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.
13. Receiving, recording, and handling of inquiries, complaints, and requests for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
14. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.

Materials and Expenses:

15. Address plates and supplies.
16. Cash overages and shortages.
17. Boards or fees to others for collecting.
18. Payments to credit organizations for investigations and reports.
19. Postage.
20. Transportation, meals, and incidental expenses.
21. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
22. Forms for recording orders for services removals, etc.
23. Rent of mechanical equipment.

904 Uncollectible accounts

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility

revenues. Concurrent credits shall be made to Account 144, Accumulated provision for uncollectible accounts—credit. Losses from uncollectible accounts shall be charged to Account 144.

905 Miscellaneous customer accounts expenses

This account shall include the cost of labor, materials used and expenses incurred not provided for in other accounts.

EXAMPLE ITEMS

Labor:

1. General clerical and stenographic work.
2. Miscellaneous labor.

Materials and Expenses:

3. Communication service.
4. Miscellaneous office supplies and expenses and stationery and printing other than those specifically provided for in Accounts 902, Meter reading expenses, and 903, Customer records and collection expenses.

905.1 IT customer service

This account shall include the cost of labor, 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.

EXAMPLE Systems Supported

- Order Entry and related tracking tools
- Billing, accounts Receivable and collections Applications (SAP / ISU)
- Call Centre Infrastructure, Telecommunications / Networks

907 Supervision

This account shall include the cost of labor 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 shall be charged to the account wherein the costs of such activity are included. (See Operating Expense Instruction 1)

908 Customer assistance expenses

This account shall include the cost of labor, materials used and expenses incurred in district based (or 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.

EXAMPLE ITEMS

1. Providing services to the community
2. Providing services related to energy conservation
3. Providing or demonstrating technical advice

909 Informational and instructional advertising expenses

This account shall include the cost of labor, 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.

EXAMPLE ITEMS

1. Labour and expenses of the Corporate Communications Group
2. Agency fees for developing promotional material, campaigns, direct mailings, ad placements, merchandising requirements, etc.

NOTE A: Exclude from this account and charge to Account 930.2, 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 Account 426.4, Expenditures for certain civic, political and related activities.

910 Miscellaneous customer service and informational expenses

This account shall include the cost of labor, materials used and expenses incurred in connection with customer service and informational activities which are not includible in other customer information expense accounts.

EXAMPLE ITEMS

Labor:

1. General clerical and stenographic work not assigned to specific customer service and informational programs.
2. Miscellaneous labor.

Materials and Expenses:

3. Communication service.
4. Printing, postage and office supplies expenses.

916 Miscellaneous sales expenses

This account shall include the cost of labor, materials used and expenses incurred in connection with sales activities, except merchandising, which are includible in Account 909, Informational and instructional advertising expenses.

EXAMPLE ITEMS

Labor:

1. General clerical and stenographic work not assigned to specific functions.
2. Special analysis of customer accounts and other statistical work for sales purposes not a part of the regular customer accounting and billing routine.
3. Miscellaneous labor.

Materials and Expenses:

4. Communication service.
5. Printing, postage, and office supplies and expenses applicable to sales activities

920 Administrative and general salaries

- A. This account shall include 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.
- B. 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

- A. This account shall include 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 includible in Account 920, Administrative and general salaries.
- B. 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 shall 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 shall be included in Account 930.2, Miscellaneous general expenses.

EXAMPLE ITEMS

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.

7. Membership fees and dues in trade, technical, and professional associations paid by a Utility for employees. (Company memberships are includible in Account 930.2, Miscellaneous general expenses)
8. Office supplies and expenses.
9. Payment of court costs, witness fees and other expenses of legal department.
10. Postage, printing and stationery.
11. Meals, traveling and incidental expenses.

922 Administrative expenses transferred—Credit.

This account shall be credited with administrative expenses recorded in Accounts 920, Administrative and general salaries, and 921, Office supplies and expenses which are transferred to construction costs or to non-utility accounts. (See Electric Plant Instruction 5)

923 Outside services employed.

- A. This account shall include 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 shall include also 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.
- B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

EXAMPLE ITEMS

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
2. Supervision fees and expenses paid under contracts for general management services.

NOTE: Do not include inspection and brokerage fees and Commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

924 Insurance premiums

- A. This account shall include the cost of insurance premiums.
- B. Records shall 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 shall be credited to the accounts to which the insurance premiums were charged.

EXAMPLE ITEMS

1. Premiums payable to insurance companies for fire, storm, burglary, boiler explosion, directors and officers, liability, lightning, fidelity, riot, and similar insurance.
2. Special costs incurred in procuring insurance.
3. Insurance inspection service.
4. Insurance counsel, brokerage fees, and expenses.

NOTE A: The cost of insurance shall 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 Account 413, Expenses of electric plant leased to others.
- (2) Non-utility property, to Account 417, Revenue from non-utility operations.

NOTE C: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in property insurance work may be included in Accounts 920, Administrative and general salaries, and 921, Office supplies and expenses, as appropriate.

925 Injuries and damages

- A. This account shall include 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 shall also include the cost of labor and related supplies and expenses incurred in injuries and damages activities.

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

EXAMPLE ITEMS

1. Amounts credited to Accumulated provision for self insurance, Account 228.1, for similar protection.
2. Losses not covered by insurance or re-serve accruals on account of injuries or deaths to employees or others and damages to the property of others.
3. Fees and expenses of claim investigators.
4. Payment of awards to claimants for court costs and attorneys' services.
5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.
6. Compensation payments under work-men's compensation laws.
7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)
8. Cost of safety, accident prevention and similar educational activities.

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 Account 926, Employee pensions and benefits. (See also Note B of Account 926, employee pensions and benefits)

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

NOTE C: Exclude here from 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 labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in injuries and damages activities may be included in Accounts 920, Administrative and general salaries, and 921, Office supplies and expenses, as appropriate.

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

926 Employee pensions and benefits

- A. The cost of pension and benefit expense as determined in the CICA Handbook Section 3461 will be recorded in this account.
- B. Utilities will 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.

EXAMPLE ITEMS

1. Cost of pension plan expense.
2. Accruals for or payments to pension funds or to insurance companies for pension purposes.
3. Group and life insurance premiums (credit dividends received).
4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.
5. Payments for accident, sickness, hospital, and death benefits or insurance.
6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.

NOTE A: Salaries paid to employees during periods of non-occupational sickness may be charged to the appropriate labor account rather than to employee benefits.

NOTE B: The Utility's total pension and total benefit expenses prior to any amounts charged out need to be provided, if requested.

928 Board expenses

- A. This account shall include all third party expenses and payments for fees assessed against the Utility for regulatory proceedings. Costs will include pay and expenses of the Board, its officers, agents, and employees, and also including payments made to the province for the administration of the EUA.

NOTE: Any and all costs in excess of Board scale, unless approved by the Board and all disallowed hearing costs would be charged to Account 941 Board expenses disallowed.

- B. Amounts of regulatory Board expenses which by approval or direction of the Board are to be spread over future periods shall be charged to Account 186, Miscellaneous deferred debits, and amortized by charges to this account.
- C. The Utility shall be prepared to show the cost of each formal case.

EXAMPLE ITEMS

1. Third party external salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the Utility in connection with such cases.
2. Expenses as presented for reimbursement by third parties for office supplies and expenses, payments to public service or other regulatory Boards, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory Boards.

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 regulatory bodies.

NOTE B: Do not include in this account amounts includible in Account 302, Franchises and consents, Account 181, Unamortized debt expense.

930.1 General advertising expenses

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

EXAMPLE ITEMS

Labor:

1. Supervision.
2. Preparing advertising material for news-papers, periodicals, billboards, etc., and preparing or conducting motion pictures, radio and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail advertising.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating and employing advertising agencies, selecting media and conducting negotiations in connection with the placement and subject matter of advertising.

Materials and Expenses:

7. Advertising in newspapers, periodicals, billboards, radio, etc.
8. Advertising matter such as posters, bulletins, booklets, and related items.
9. Fees and expenses of advertising agencies and commercial artists.
10. Postage and direct mail advertising.
11. Printing of booklets, dodgers, bulletins, etc.
12. Supplies and expenses in preparing advertising materials.
13. Office supplies and expenses.

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 shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message shall be readily available.

NOTE B: Exclude from this account and include in Account 426.4, Expenditures for certain civic, political

and related activities, expenses for advertising activities, which are designed to solicit public support or the support of public officials in matters of a political nature.

930.2 Miscellaneous general expenses

This account shall include the cost of labor and expenses incurred in connection with the general management of the Utility not provided for elsewhere.

EXAMPLE ITEMS

Labor:

1. Miscellaneous labor not elsewhere provided for.

Expenses:

2. Industry association dues for company memberships.
3. Contributions for conventions and meetings of the industry.
4. Research, development, and demonstration expenses not charged to other operation and maintenance expense accounts on a functional basis.
5. Communication service not chargeable to other accounts.
6. Trustee, registrar, and transfer agent fees and expenses.
7. Stockholders meeting expenses.
8. Dividend and other financial notices.
9. Printing and mailing dividend checks.
10. Directors' fees and expenses.
11. Publishing and distributing annual re-ports to stockholders.
12. Public notices of financial, operating and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

931 Rents

This account shall include 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 shall include rents for retail offices and field offices. Exclude only those payments associated with operating and maintaining right of way properties. (See Operating Expense Instruction 3)

931.1 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 general & administrative expense

This account shall include 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.

Example Systems Supported:

- Document/Records Management
- Backoffice systems (e-mail, file - print, web, etc).
- Office Furniture tracking systems
- Treasury and Accounting applications used for corporate reporting

935 Maintenance of general plant

A. This account shall include the cost assignable to customer accounts, sales and administrative and general functions of labor, materials used and expenses incurred in the maintenance of property, where the book cost is includible in Account 390, Structures and improvements, Account 391, Office furniture and equipment, Account 391.1 Computer hardware & voice and data network equipment, Account 397, Communication equipment, and Account 398 Miscellaneous equipment. (See Operating Expense Instruction 2)

B. Maintenance expenses on office furniture and equipment used other than in general, commercial and sales offices shall be charged to the following accounts:

Hydraulic Power Generation, Account 537.
Other Power Generation, Account 554,
Transmission, Account 566,
Distribution, Account 588,

Appropriate clearing account, if used.

NOTE: Maintenance of plant included in other general equipment accounts shall be included herein unless charged to clearing accounts or to the particular functional maintenance expense account indicated by the use of the equipment.

941 Board expenses disallowed.

This account shall include all costs exceeding the Board scale, unless approved by the Board, and all disallowed costs in regards to third party expenses and payments made for fees assessed against the Utility for formal regulatory proceedings. Amounts within the Board scale value shall be recorded in Account 928, Board Expenses.

944 Load settlement

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 as defined under the AESO system settlement code. 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 regulatory board for fees, pay and expenses of agents, and employees, and related expenses of the formal Labour costs associated with the analysis / assessment of code changes.
- Processing, profiling, analysis, measuring, and reporting requirements to administer provisions as set forward by the system settlement code
- AESO bill processing,
- Staff costs and expenses of the settlement group.

944.1 IT load settlement

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

EXAMPLE Systems Supported:

- Interconnection measurement and tracking system
- Settlement profiling application
- Economic assessment modeling tools used to assess evolutionary code change