

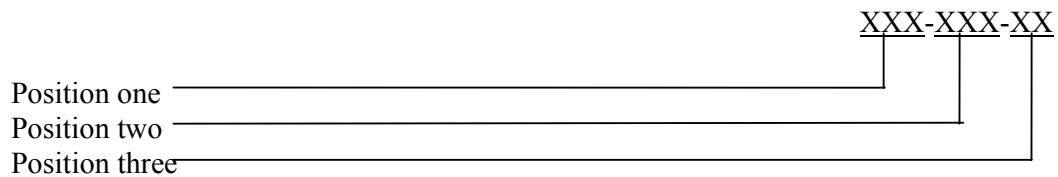
IV. ACCOUNTING SYSTEMS AND PROCEDURES

A. CHART OF ACCOUNTS

1. Account Coding Scheme

The chart of accounts establishes the general ledger and subsidiary ledger accounts to be used by Rural Electric Cooperatives. These accounts and corresponding account codes are based on the chart of accounts commonly used by the RECs under NEA's supervision.

The Account code is divided into three structural positions identified as "position one", "position two" and "position three" as shown below:



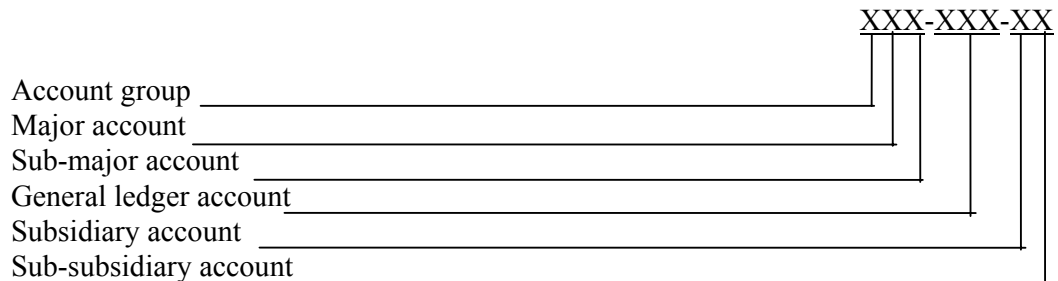
A dash separate one position from another.

Position one contains three (3) digits representing the account classification. The first digit stands for the account group as to assets, liabilities, capital, income and expenses. The last digits are used to designate the major accounts.

Position two contains three (3) digits and stands for the old account number. This number also represents the general ledger accounts.

Position three contains two (2) digits and represents the subsidiary accounts. The first digit represents the main subsidiary accounts and the last digit stands for the sub-subsubsidiary accounts. Some accounts do not have a subsidiary account.

* The coding scheme



Example:

a. **Balance Sheet Account**

	111-107-20
Asset _____	_____
Utility Plant _____	_____
Electric Plant _____	_____
Construction Work in Progress _____	_____
CWIP - Force Account _____	_____
Sub-subsidiary Account (None) _____	_____

b. **Income and Expense Accounts**

1. Income Accounts

	311-442-00
Income _____	_____
Utility Operating Revenue _____	_____
Operating Revenue _____	_____
Commercial Sales _____	_____
Subsidiary Account (None) _____	_____
Sub-subsidiary Account (None) _____	_____

2. Expense Accounts

	450-427-10
Expense _____	_____
Interest Charges _____	_____
Sub-Major Account (None) _____	_____
Interest on ST and LTD _____	_____
Interest - Construction Loan _____	_____
Sub-subsidiary Account (None) _____	_____

2. **Major Accounts**

100-000-00	ASSETS
110-000-00	Utility Plant
120-000-00	Other Property and Investments
130-000-00	Cash and Temporary Cash Investments
140-000-00	Notes and Accounts Receivables
150-000-00	Materials and Supplies
160-000-00	Other Current and Accrued Assets
170-000-00	Deferred Debits
200-000-00	EQUITIES AND LIABILITIES
210-000-00	Equities and margins
220-000-00	Long-term and Short Term Debts
230-000-00	Current and Accrued Liabilities
240-000-00	Other Current and Accrued Liabilities
250-000-00	Deferred Credits
260-000-00	Reserves
300-00-00	INCOME ACCOUNTS
310-000-00	Utility Operating Revenue
311-000-00	Operating Revenue
312-000-00	Other Operating Revenue
320-000-00	Other income
321-000-00	Non - operating Income

322-000-00	Extraordinary items
400-000-00	EXPENSE ACCOUNTS
410-000-00	Operations and Maintenance
411-000-00	Power Generation
412-000-00	Other Power Supply Expenses
413-000-00	Transmission
414-000-00	Distribution Expenses
420-000-00	Customer Accounts Expenses
430-000-00	Administrative and General Expenses
440-000-00	Depreciation Expenses
450-000-00	Interest Charges
460-000-00	Other Deductions
461-000-00	Non-operating Revenue
462-000-00	Extraordinary Expenses
500-000-00	Income and Expense Summary

3. Detailed Chart of Accounts

<u>CODE</u>	<u>ACCOUNT TITLE</u>
100-000-00	ASSETS
110-000-00	Utility Plant
111-000-00	Electric Plant
111-101-00	Electric Plant in Service
111-102-00	Electric Plant Purchased
111-104-00	Electric Plant Leased to Others
111-105-00	Electric Plant Held for Future use
111-106-00	Completed Construction Not Classified
111-114-00	Electric Plant Acquisition Adjustments
111-116-00	Appraisal Increase
111-118-00	Other Utility Plant
111-107-00	Construction Work in Progress
111-107-10	CWIP - Contract
111-107-20	CWIP - Force Account
111-107-30	CWIP - Special Equipment
111-107-40	CWIP - Unassigned Administrative Overhead
112-000-00	Accumulated Depreciation
112-108-00	Accum. Depreciation - Electric Plant in Service
112-108-10	Accum. Depreciation - Production Plant
112-108-20	Accum. Depreciation - Transmission Plant
112-108-30	Accum. Depreciation - Distribution Plant
112-108-40	Accum. Depreciation - General Plant
112-120-00	Accum. Depreciation - Electric Plant Purchased or Sold
112-109-00	Accum. Depreciation - Electric Plant Leased to Others
112-110-00	Accum. Depreciation - Electric Plant Held for Future Use
112-115-00	Accum. Amortization - Electric Plant Acquisition Adjustments
112-117-00	Accum. Amortization - Appraisal Increase
112-119-00	Accum. Depreciation and Amortization - Other Utility Plant
120-000-00	Other Property and Investments
120-121-00	Non-Utility Property
120-122-00	Accumulated Depreciation and Amortization - Non-Utility Plant
120-123-00	Investment in Associated Organizations
120-124-00	Other Investments

120-125-00 Restricted Funds
 120-125-10 Membership
 120-125-20 Sinking Fund for Loan Amortization
 120-125-30 Sinking Fund for Reinvestment (Expansion)
 120-126-00 Investment in Poles Procurement

130-000-00 **Cash and Temporary Cash Investments**

130-131-00 Cash - General
 130-131-10 Cash in Bank - General Fund - Current
 130-131-20 Cash in Bank - General Fund - Savings
 130-132-00 Cash in Bank - Loans Funds
 130-132-10 Cash in Bank - Construction
 130-132-20 Cash in Bank - Housewiring
 130-132-30 Cash in Bank - Rehabilitation
 130-132-40 Cash in Bank - Expansion
 130-132-50 Cash in Bank - Logistical
 130-132-60 Cash in Bank - Other Loan Funds
 130-133-00 Cash on Hand
 130-133-10 Cash on Hand - Main Office
 130-133-20 Cash on Hand - Sub Office
 130-134-00 Cash in Bank - Others
 130-134-10 Cash in Bank - Energy Deposits
 130-134-20 Cash in Bank - Meter Deposits
 130-134-30 Cash in Bank - Transformer Deposits
 130-134-40 Cash in Bank Advance Payments
 130-135-00 Working Funds
 130-135-10 Revolving Fund
 130-135-20 Petty Cash Fund
 130-136-00 Temporary Cash Investment

140-000-00 **Notes and Accounts Receivables**

140-141-00 Notes Receivable
 140-142-00 Consumer Accounts Receivables
 140-142-10 Consumer Accounts Receivable - Energy
 140-142-20 Consumer Accounts Receivable - Others
 140-143-00 Other Accounts Receivables
 140-143-10 Rent Receivables
 140-143-20 Interest and Dividends Receivables
 140-143-30 Other Accounts Receivables
 140-144-00 Allowance for Uncollectible Accounts
 140-144-10 Allowance for Uncollectible Customer Accounts - Energy
 140-145-00 Advances to Officers and Employees
 140-146-00 Due from Other RECs

150-000-00	Materials and Supplies
150-151-00	Materials and Supplies - Fuel Stock
150-154-00	Materials and Supplies - Electric
150-155-00	Materials and Supplies - Housewiring
150-157-00	Materials and Supplies - Others
150-156-00	Office Supplies
150-163-00	Store Expense Undistributed
160-000-00	Other Current and Accrued Assets
160-165-00	Prepayments
160-165-10	Prepayments - Insurance
160-165-20	Other Prepayments
160-174-00	Miscellaneous Current and Accrued Assets
170-000-00	Deferred Debits
170-180-00	Retirement Work in Progress
170-182-00	Extraordinary Property Losses
170-183-00	Preliminary Survey and Investigation Charges
170-187-00	Interest Charges to Construction
170-188-00	Other Deferred Debits
200-000-00	EQUITIES AND LIABILITIES
210-000-00	Equities and Margins
211-000-00	Equities
211-200-00	Membership
211-201-00	Patronage Capital
211-201-10	Patron's Capital Credits
211-201-20	Patronage Capital Assignable
211-208-00	Donated Capital
211-211-00	Miscellaneous Contributed Capital
211-211-10	Contribution-in-aid of Construction
211-212-00	Revaluation Increment
211-218-00	Capital Gains and Losses
212-000-00	Margins
212-215-00	Appropriated Margins
212-219-00	Unappropriated Margins
212-219-10	Operating Margins
212-219-20	Non-Operating Margins

220-000-00	Long-Term and Short Term Debts
221-224-00	Long-Term Debt - Principle & Capitalized Interest
221-224-10	Long-Term Debt - Construction
221-224-20	Long-Term Debt - Housewiring
221-224-30	Long-Term Debt - Rehabilitation
221-224-40	Long-Term Debt - Expansion
221-224-50	Long-Term Debt - Logistical
221-224-60	Long-Term Debt - Others
222-225-00	Short Term Debt
222-225-10	Emergency Loan
222-225-20	Other Short - Term Debt
223-235-00	Consumer's Deposit
223-235-10	Consumer's Deposit - Energy
223-235-20	Consumer's Deposit - Housewiring
223-235-30	Consumer's Deposit - Meters
223-235-40	Consumer's Deposit - Transformers
223-235-50	Consumer's Deposit - Others
230-000-00	Current and Accrued Liabilities
230-231-00	Notes Payable
230-232-00	Accounts Payable
230-232-10	Accounts Payable - Power
230-232-20	Accounts Payable - Contractors
230-232-30	Accounts Payable - Others
230-234-00	Due to Other RECs
230-236-00	Taxes Accrued
230-236-10	Accrued Property Taxes
230-236-20	Accrued Taxes - Others
230-237-00	Interest Accrued
230-237-10	Interest Accrued - Construction Loan
230-237-20	Interest Accrued - Housewiring Loan
230-237-30	Interest Accrued - Rehabilitation Loan
230-237-40	Interest Accrued - Expansion Loan
230-237-50	Interest Accrued - Logistical Loan
230-237-60	Interest Accrued - LTD - Others
230-237-70	Interest Accrued - Short Term Debts
230-237-80	Interest Accrued - Others
230-239-00	Matured LTD and STD - Principal
230-239-10	Matured Long-Term Debt - Construction
230-239-20	Matured Long-Term Debt - Housewiring

230-239-30	Matured Long-Term Debt - Rehabilitation
230-239-40	Matured Long-Term Debt - Expansion
230-239-50	Matured Long-Term Debt - Logistical
230-239-60	Matured Long-Term Debt - Others
230-239-70	Matured Long-Term Debt -
230-240-00	Matured Interest Payable
230-240-10	Matured Interest Payable - Construction
230-240-20	Matured Interest Payable - Housewiring
230-240-30	Matured Interest Payable - Rehabilitation
230-240-40	Matured Interest Payable - Expansion
230-240-50	Matured Interest Payable - Logistical
230-240-60	Matured Interest Payable - LTD - Others
230-240-70	Matured Interest Payable - Short Term Debt
230-241-00	Withholding Tax Payable
230-241-10	Withholding Tax Payable - Contractors
230-241-20	Withholding Tax Payable - Employees
230-243-00	Patronage Capital Payable

240-000-00 **Other Current and Accrued Liabilities**

240-242-00	Miscellaneous Current and Accrued Liabilities
240-242-10	Accrued Rentals
240-242-20	Accrued Payroll
240-242-30	Accrued Employees' Vacation and Holidays
240-242-40	SSS and Medicare Contributions Payable
240-242-50	Accrued Retirement Payable
240-242-60	Other Current and Accrued Liabilities

250-000-00 **Deferred Credits**

250-252-00	Consumer Advances for Construction
250-253-00	Consumers' Energy Prepayments
250-254-00	Other Deferred Credits

260-000-00 **Reserves**

260-261-00	Property Insurance Reserve
260-262-00	Injuries and Damages Reserve
260-263-00	Pensions and Benefits Reserve

300-000-00	INCOME ACCOUNTS
310-00-00	Utility Operating Revenues
311-000-00	Operating Revenues
311-440-00	Residential Sales
311-441-00	Irrigation Sales
311-442-00	Commercial Sales
311-443-00	Industrial Sales
311-444-00	Sales to Public Street and highway Lighting
311-445-00	Sales to Public Buildings and Facilities
311-446-00	Sales to Communal Water System
311-447-00	Sales for Resale
312-000-00	Other Operating Revenues
312-450-00	Forfeited Discounts
312-451-00	Rent from Electric Property
312-452-00	Prompt Payment Discount
312-456-00	Other Electric Revenues
320-000-00	Other Income
321-000-00	Non-Operating Income
321-412-00	Electric Plant Leased to Others
321-415-00	Revenue from Merchandising, Jobbing and Contract Work
321-417-00	Income from Non-utility Operations
321-418-00	Non-Operating Rental Income
321-419-00	Interest and Dividend Income
321-421-00	Miscellaneous Non-Operating Income
322-000-00	Extraordinary Items
322-434-00	Extraordinary Income
322-434-10	Gain on Disposition of Utility Plant
322-434-20	Gain on Disposition of Other Property
400-000-00	EXPENSE ACCOUNTS
410-000-00	Operations and Maintenance
411-000-00	Power Generation
411-000-10	Operation
411-546-10	Supervision and Engineering

411-547-10	Fuel
411-548-10	Generation Expenses
411-549-10	Rents
411-550-10	Miscellaneous Expenses
411-000-20	Maintenance
411-551-20	Supervision and Engineering
411-552-20	Structure
411-553-20	Generating & Electric Equipment
411-554-20	Miscellaneous Plant
412-00-00	Other Power Supply Expenses
412-555-00	Purchased Power
412-556-00	System Control and Load Dispatching
412-557-00	Miscellaneous Expenses
413-000-00	Transmission Expenses
413-000-10	Operation
413-560-10	Supervision and Engineering
413-561-10	Load Dispatching
413-562-10	Station Expenses
413-563-10	Overhead Line Expenses
413-565-10	Transmission of Electricity by Others
413-566-10	Rents
413-567-10	Miscellaneous Expenses
413-000-20	Maintenance
413-568-20	Supervision and Engineering
413-569-20	Structures
413-570-20	Station Equipment
413-571-20	Overhead Lines
413-573-20	Miscellaneous Plant
414-000-00	Distribution Expenses
414-000-10	Operation
414-580-10	Supervision and Engineering
414-581-10	Load Dispatching
414-582-10	Station Expenses
414-583-10	Overhead Line Expenses
414-585-10	Street Lighting and Signal System Expenses
414-586-10	Meter Expenses
414-587-10	Consumer installation Expenses
414-588-10	Rents
414-589-10	Miscellaneous Expenses

414-000-20	Maintenance
414-590-20	Supervision and Engineering
414-591-20	Structures
414-592-20	Station Equipment
414-593-20	Overhead Lines
414-595-20	Line Transformers
414-596-20	Street lighting and Signal Systems
414-597-20	Meters
414-598-20	Miscellaneous Plant

420-000-00 **Consumer Accounts Expenses**

420-901-00	Supervision
420-902-00	Meter Reading Expenses
420-903-00	Consumer Records and Collection Expenses
420-904-00	Uncollectible Accounts
420-905-00	Informational and Instructional Advertising Expenses
420-906-00	Miscellaneous Consumer Services Expenses
420-907-00	Consumer Prompt Payment Discount

430-000-00 **Administrative and General Expenses**

430-920-00	Administrative and General Salaries
430-921-00	Office Supplies and Expenses
430-923-00	Outside Services Employed
430-924-00	Property insurance
430-925-00	Injuries and Damages
430-926-00	Employee Pension and Benefits
430-927-00	Franchise Requirements and Regulatory Commission Expenses
430-931-00	Rents
430-932-00	Maintenance of Office and General Plant
430-933-00	Taxes on Property
430-934-00	Officers Allowances and Benefits
430-935-00	Travel
430-936-00	Training
430-937-00	Association and Membership Dues
430-938-00	Miscellaneous General Expenses

440-000-00 Depreciation Expenses

440-403-10	Depn Expenses - Electric Plant in Service
440-403-11	Depn Expenses - Production Plant
404-403-12	Depn Expenses - Transmission Plant

440-403-13	Depn Expenses - Distribution Plant
440-403-14	Depn Expenses - General Plant
440-403-20	Depn Expense - Electric Plant Purchased or Sold
440-403-30	Depn Expenses - Electric Plant Leased to Others
440-403-40	Depn Expenses - Electric Plant Held for Future Use
440-403-50	Depn and Amortization - Other Utility Plant
440-403-60	Amortization - Appraisal Increase
440-403-70	Depn and Amortization - Non-Utility Plant
440-406-00	Amortization of Electric Plant Acquisition Adjustments
440-407-00	Amortization of Property Losses

450-000-00 **Interest Charges**

450-427-00	Interest on Short Term and Long Term Debts
450-427-10	Interest - Construction Loan
450-427-20	Interest - Housewiring Loan
450-427-30	Interest - Rehabilitation Loan
450-427-40	Interest - Expansion Loan
450-427-50	Interest - Logistical Loan
450-427-60	Interest - LTD - Others
450-427-70	Interest - Short Term Debts
450-431-00	Other Interest Charges

460-000-00 **Other Expenses**

461-000-00	Non-Operating Expenses
461-413-00	Expenses on Electric Plant Leased to Others
461-416-00	Cost and Expenses of Merchandising, Jobbing and Contract Work
461-417-00	Expenses Non-Utility Operation
461-422-00	Non-Operating Taxes
461-425-00	Civic, Social And Other Related Activities Expenses
461-427-00	Miscellaneous Income Deductions

462-000-00 Extraordinary Expenses

462-435-00	Extraordinary Deductions
462-409-00	Income Taxes, Extraordinary items
462-421-00	Loss on Disposition of Property

500-000-00 **Income and Expense Summary**

DETAILS OF THE ELECTRIC PLANT IN SERVICE ACCOUNT

111-300-10	Intangible Plant
111-301-10	Organization Cost
111-302-10	Franchise and Consents
111-303-10	Miscellaneous intangible Plant
111-300-20	Production Plant
111-340-20	Land and Land Rights
111-341-20	Structures and Improvements
111-342-20	Fuel Holders, Producers and Accessories
111-343-20	Prime Movers
111-344-20	Generators
111-345-20	Accessory Electric Equipment
111-346-20	Miscellaneous Production Plant Equipment
111-300-30	Transmission Plant
111-350-30	Land and land Rights
111-352-30	Structures and Improvements
111-353-30	Station Equipment
111-354-30	Towers and Fixtures
111-355-30	Poles and Fixtures
111-356-30	Overhead Conductors and Devices
111-357-30	Underground Conduit
111-358-30	Underground Conductors and Devices
111-359-30	Roads and Trails
111-300-40	Distribution Plant
111-360-40	Land and Land Rights
111-361-40	Structures and Improvements
111-362-40	Stations Equipment
111-364-40	Poles, Towers and Fixtures
111-365-40	Overhead Conductors and Devices
111-366-40	Underground Conduit
111-367-40	Underground Conductors and Devices
111-368-40	Line Transformers
111-369-40	Services
111-370-40	Meters
111-372-40	Leased Property on Consumers' Premises
111-373-40	Street Lighting and Signal Systems

111-300-50	General Plant
111-389-50	Land and Land Rights
111-390-50	Structures and improvements
111-391-50	Office Furniture and Equipment
111-392-50	Transportation Equipment
111-393-50	Stores Equipment
111-394-50	Tools, Shop and Garage Equipment
111-395-50	Laboratory Equipment
111-396-50	Power Operated Equipment
111-397-50	Communication Equipment
111-398-50	Miscellaneous Equipment

4. **Account Description**

ASSET ACCOUNTS

I. *UTILITY PLANT*

111-101-00 ELECTRIC PLANT IN SERVICE

This account represents the total original cost of electric plant owned and used by the REC in the electric operations, and having a serviceable life of more than one year from the date of installation. Details of this account is shown in the electric plant accounts presented on pages IV-A.14 to IV-A.15.

Debit this account for:

0 Original cost of electric plant in service.

Credit this account for:

0 Retirements, sales, transfers or lease.

111-102-00 ELECTRIC PLANT PURCHASED

This account represents a temporary account to record electric plant acquired as an operating unit through purchase, merger, consolidation, liquidation, or otherwise.

The REC shall have up to two (@) months from the date of acquisition or sale of the property to submit to NEA for approval the proposed journal entries reclassifying the electric plant lodged in this account to the appropriate electric plant accounts.

Debit this account for:

0 Acquisition cost of operating unit or system by purchase, merger, consolidation or liquidation.

Credit this account for:

0 Cost of property transferred or reclassified to other appropriate electric plant accounts or sold.

111-104-00 **ELECTRIC PLANT LEASED TO OTHERS**

This account represents electric plant owned by the REC, but leased to others as operating units or systems where the lessee has exclusive possession. It shall be classified according to the detailed plant accounts (as presented on pages IV-A.14 to IV-A.15) prescribed for plant in service and shall be maintained as though the property were being used by the REC in its own utility operations.

Debit this account for:

- 0 Original cost of electric plant leased to others as operating units or system.

Credit this account for:

- 0 Sales, transfers, retirements, etc.

111-105-00 **ELECTRIC PLANT HELD FOR FUTURE USE**

This account represents the electric plant properties that were (1) acquired but being held for use in the future and (2) previously used but was retired from service and being held pending its reuse in the future, under a definite plan.

Property included in this account shall be classified according to the detailed accounts presented in pages IV-A.13 and IV-A.14 prescribed for electric plant in service. This shall be maintained in such detail as though the properties are in service. Materials and supplies, meters, and transformers held in reserve, and normal spare capacity of plant in service shall not be included in this account.

In the event that the property recorded in this account shall no longer be needed or appropriate for future utility operations, the REC shall notify NEA of such condition and request approval of journal entries to remove such property from this account.

Debit this account for:

- 0 Original cost of electric plant property purchased but being held for future use under a definite plan.
- 0 Original cost of electric plant property retired but being held for reuse in the future.
- 0 Original cost of land and land rights owned and held for future use under a plan.

Credit this account for:

- 0 Original cost of property previously recorded in this account which is no longer needed or appropriate for future operations upon approval by NEA.

111-106-00 COMPLETED CONSTRUCTION NOT CLASSIFIED

This account represents the cost of construction works attributable to contracts and work orders which have been completed and already in service but have not been classified to the appropriate electric plant in service accounts due to the absence of reports on completed construction such as the staking sheets “as built”.

The use of this account is allowed on a tentative basis, to preclude any significant omissions in reporting the amount of electric plant in service accounts. The REC shall classify the balance in this account as accurately as possible according to prescribed account classification. Within the first two (2) months of the year, the RECs shall submit to NEA for approval the proposed journal entries to clear this account.

Debit this account for:

- 0 Cost of completed construction and already being used in the utility operation but remains unreported as completed.

Credit this account for:

- 0 Cost of completed construction classified to the appropriate plant accounts.

111-114-00 ELECTRIC PLANT ACQUISITION ADJUSTMENTS

This account is used to record and account for the difference between the purchase price along with incidental expenses and depreciated value of electric plant acquired as operating unit or system by purchase, merger, consolidation, liquidation, or otherwise.

Depreciation of the property shall be recognized by using a contra-account, and charging the account 440-406-00, Amortization of Electric Plant remaining life of the properties to which such amounts relate. Amounts related to the acquisition of land only may be amortized over a period of not more than 15 years.

The REC records of this account shall be further subdivided to show the amounts included under Electric Plant In Service, Electric Plant Held for Future Use, Electric Plant Purchased or Sold and Electric Plant Leased to Others or such other appropriate accounts.

Authority from NEA shall be First secured should the REC wish to account for debits to this account in any other manner, and whenever credits to the account are to be booked.

Debit this account for:

0 Difference between purchase price and net book value.

Credit this account for:

0 Adjustments, merger, consolidation, sales, etc.

111-116-00 APPRAISAL INCREASE

This account represents the difference between (1) book value of the property and (2) its fair market value, as determined by a recognized and competent appraiser, independent of the REC.

The REC is restricted in using this account. Debits and Credits thereto shall have prior approval of NEA. Separate sub-account shall be maintained to show the details and thus facilitate disclosure requirements in the financial statement.

Debit this account for:

0 Among representing the difference between the appraised value and book value.

Credit this account for:

0 Sale, retirement or transfer of the property.

111-118-00 OTHER UTILITY PLANT

This account represents the balances of non-electric utility plant, such as gas, water, railway, etc. The records supporting the entries to this account shall be kept so that the REC can furnish information as to the nature and cost of each kind of property from whom or how it was acquired, its location, and its use.

Debit this account for:

- 0 Original cost of non-electric utility property.

Credit this account for:

- 0 Retirements, sales, merger, transfers, etc.

111-107-00 CONSTRUCTION WORK IN PROGRESS

This account represents the total cost of construction work awarded through contracts and those being done by the REC's own force. Work orders shall be cleared from this account upon completion of job. Any expenditures which are identified exclusively with units of property not yet in service shall be included in this account.

For balance sheet purposes, this account shall include the total of the balances in asub-accounts Construction Work in Progress - Contract, Construction Work In Progress - Force Account, Construction Work In Progress - Special Equipment, and Construction Work In Progress - Unassigned Administrative Overhead.

111-107-10 CONSTRUCTION WORK IN PROGRESS - CONTRACT

This account represents costs incurred for contracts on specifically designated projects awarded through bidding process.

Debit this account for:

- 0 Cost incurred or payments made on contracted projects.

Credit this account for:

- 0 Costs of completed constructions.

111-107-20 CONSTRUCTION WORK IN PROGRESS - FORCE ACCOUNT

This account represents the costs and expenses incurred for projects done directly by the REC's own force or construction crew.

Debit this account for:

- 0 Costs and expenses incurred for construction work orders or projects being done by the REC's own force.

Credit this account for:

- 0 Costs of completed construction supported by appropriate reports.

111-107-30 CONSTRUCTION WORK IN PROGRESS - SPECIAL EQUIPMENT

This account represents the purchase cost of special equipment items (transformers, reclosers, sectionalizers) and the cost of conversion of transformers and other special equipment items to higher capacity including estimated first installation cost of converted equipment. It shall also be used to record the costs incurred necessary to test and prepare the equipment for use by the REC.

Debit this account for:

- 0 Estimated salvage value of reusable parts of the equipment being converted.
- 0 Invoice cost of conversion and freight.
- 0 Original cost of transformers, meters, oil circuit, reclosers and sectionalizers.
- 0 Estimated first cost of installation (including labor cost) upon conversion

Credit this account for:

- 0 Costs of equipment, first installation or completed conversion transferred to other appropriate plant accounts as a result of installation.

111-107-40 CONSTRUCTION WORK IN PROGRESS - UNASSIGNED ADMINISTRATIVE OVERHEAD

This is a temporary account representing the administrative overhead attributable to construction activities. The balance of the account is cleared monthly to the appropriate work orders.

Debit this account for:

- 0 Indirect labor, per diem, utilities, office supplies, traveling expenses and other overhead expenses.

Credit this account for:

- 0 Amounts allocated to specific CWOs.

NOTE: A subsidiary ledger showing the details by account, e.g. indirect labor, supplies, etc. shall be maintained for this account.

112-108-00 **ACCUMULATED DEPRECIATION - ELECTRIC PLANT IN SERVICE**

This account represents accumulated depreciation of electric plant properties acquired in whatever mode by the RECs. Monthly depreciation charges shall be computed using the prescribed depreciation rates and taken up in the specific accumulated depreciation sub accounts below.

The REC is restricted in its use of the accumulated depreciation to the purpose set forth above. It shall not transfer any portion of this account to retained earning or make any other use thereof or deviate from prescribed depreciation rates without prior expressed authorization from NEA.

- 112-108-10** **ACCUMULATED DEPRECIATION - PRODUCTION PLANT**
- 112-108-20** **ACCUMULATED DEPRECIATION - TRANSMISSION PLANT**
- 112-108-30** **ACCUMULATED DEPRECIATION - DISTRIBUTION PLANT**
- 112-108-40** **ACCUMULATED DEPRECIATION - GENERAL PLANT**

These accounts represent the accumulated depreciation charges to the specific plant accounts classification as described in the detailed chart of accounts.

Debit these accounts for:

- 0 Accumulated depreciation and related costs of properties retired or transferred.

Credit these accounts for:

- 0 Estimated allowance for obsolescence, wear and tear for electric plant in service.
- 0 Amount of depreciation applicable to electric plant donated to the REC.
- 0 Salvage value and recoveries from insurance.

112-120-00 **ACCUMULATED DEPRECIATION - ELECTRIC PLANT PURCHASED**

This account represents depreciation charges applied to properties included in account 111-102-00, Electric Plant Purchased or Sold. When properties under Electric Plant Purchased have been finally transferred to/from Electric Plant In Service account, the corresponding depreciation charges shall likewise be transferred to the appropriate accumulated depreciation subsidiary account.

112-109-00 **ACCUMULATED DEPRECIATION - ELECTRIC PLANT LEASED TO OTHERS**

This account represents accumulated depreciation charges for properties included in account 111-104-00, Electric Plant Leased to Others.

The requirements and restrictions of the account Accumulated Depreciation of Electric Plant in Service, regarding retirements and transfers chargeable thereto and subsidiary data to be maintained shall be applicable likewise to this account.

Debit this account for:

- 0 Accumulated depreciation and related costs of property retired.

Credit this account for:

- 0 Estimated allowance for obsolescence, wear and tear of properties on lease to others.
- 0 Salvage value and recoveries from insurance.

112-110-00 **ACCUMULATED DEPRECIATION - ELECTRIC PLANT HELD FOR FUTURE USE**

This account represents accumulated depreciation of properties included in the account 111-105-00, Electric Plants Held for Future Use.

Under normal conditions, this account shall not be used for current depreciation charges since the service life during which depreciation is computed starts when the property is includible in the electric plant service account. However, if special circumstances indicate the propriety of current accruals for depreciation, such charges shall be made to this account.

The restrictions and requirements in the use of the Accumulated Depreciation of Electric Plant In Service and the subsidiary data to be maintained shall likewise apply in this account.

Debit this account for:

- 0 Accumulated depreciation and related costs of property retired from service.

Credit this account for:

- 0 Estimated allow, for obsolescence, wear and tear.

0 Salvage value and recoveries from insurance.

112-115-00 **ACCUMULATED AMORTIZATION - ELECTRIC PLANT ACQUISITION ADJUSTMENTS**

This account represents accumulated depreciation charges applicable account 111-114-00, Electric Plant Acquisition Adjustments to provide for the extinguishments of amounts in said account.

112-117-00 **ACCUMULATED AMORTIZATION - APPRAISAL INCREASE**

This account represents accumulated depreciation charges applied to account 111-116-00, Appraisal Increase. Records showing details of charges shall be maintained for easy reference.

112-119-00 **ACCUMULATED DEPRECIATION AND AMORTIZATION - OTHER UTILITY PLANT**

This account represents accumulated depreciation and amortization applicable to the account 111-119-00, Other Utility Plant.

II. OTHER PROPERTY AND INVESTMENTS

120-121-00 **NON-UTILITY PROPERTY**

This account represents the book cost of land, building, equipment or other tangible or intangible property owned by the REC, but not used in utility service and not properly classifiable in account 111-000-00.

Subsidiary records must be maintained to show the details of properties used in operations which are non-utility in character but nevertheless constitute a distinct operating activity of the company, and the amount of miscellaneous property not used in operations.

Debit this account for:

0 Original cost of non-utility property.

Credit this account for:

0 Sale, transfer, retirement of the property.

120-122-00 **ACCUMULATED DEPRECIATION AND AMORTIZATION - NON-UTILITY PROPERTY**

This account represents the accumulated depreciation and amortization applicable to the account 120-121-00, Non-utility Property.

Debit this account for:

- 0 Accumulated depreciation and related costs of property retired from service.

Credit this account for:

- 0 Estimated allowance for obsolescence, wear and tear.
- 0 Salvage value and recoveries from insurance.

120-123-00 **INVESTMENT IN ASSOCIATED ORGANIZATIONS**

This account represents the cost of investments in capital stock, securities and investment advances with associated organizations. A subsidiary record shall be maintained for this account in such manner as to show the investment securities of and advances to each associated organization together with full particulars regarding any of such investments that are pledged.

The REC may, with prior approval from NEA, write down the cost of any security to recognize permanent impairment in its market value. When securities are written down or written off, the appropriate adjustment shall be charged against the account 461-427-00, Miscellaneous Deductions,.

Debit this account for:

- 0 Investment in capital stock of associated organizations;
- 0 Investment in securities issued by an associated organization; and
- 0 Investment advances to associated organizations.

Credit this account for:

- 0 Disposition, termination or maturity of investments.
- 0 Write off or write down of security as approved by NEA.

20-124-00 **OTHER INVESTMENTS**

This account represents cost of investments in securities, stocks, investment advances and other investments not accounted for in other investment

accounts, except those held in special deposits or funds which shall be included in the appropriate deposit or fund account and securities held as temporary cash investments, which shall be accordingly classified as such. Earned increments in investments payable at maturity or upon demand shall likewise be included in this account. Such increment shall be recognized as income in the Interest and Dividend Income account. The records shall be maintained in such manner as to show the amount and nature of each investment and whether such has been pledged.

Changes in the market value of securities shall not be recognized in this account, except permanent impairment in value, which shall be reflected by providing a reserve for loss. Also, substantial amounts in premium or discount at the time of the purchase or investment may be amortized over the remaining life, provided the investments are to be held until maturity.

Debit this account for:

- 0 Investment in government securities (owned and pledged);
- 0 Investment or deposits in Savings and Loan Association;
- 0 Stock and bonds of non-associated organizations; and
- 0 Cash surrender value of insurance policies on employees where the REC is the beneficiary.

Credit this account for:

- 0 Disposition, termination or maturity of investments.

120-125-00 RESTRICTED FUNDS

This account represents deposits and investments which have been segregated in special funds for special purposes like membership fees, guaranty for the fulfillment of obligation, etc. The REC shall maintain a complete record of the specific purposes for which the deposits were made. Revenues from investments included in the restricted funds accounts shall be included in the specific sub-accounts.

120-125-10 MEMBERSHIP

This account represents the cash received for membership fees from member-consumers and deposited intact with authorized depository bank. This fee is subject to refund when service is discontinued.

Debit this account for:

- 0 Cash received and deposited for membership fees.
- 0 Interest earned from the deposit as credited by the bank.

Credit this account for:

- 0 Refund made to member-consumer upon discontinuance of service.

120-125-20 SINKING FUND FOR LOAN AMORTIZATION

This account represents fund reserve and deposited with authorized depository bank for servicing long term loan obligation.

Debit this account for:

- 0 Cash set aside to pay loan obligation.

Credit this account for:

- 0 Payment of obligations upon maturity or obligation called for redemption.

120-125-30 SINKING FUND FOR REINVESTMENT

This account represents fund reserve future for additions to or expansion of existing plant.

Debit this account for:

- 0 Cash set aside for investment on special purposes, e.g. property additions and replacements;
- 0 Contingencies (including storm damage).

Credit this account for:

- 0 Payment of obligation due.

120-126-00 INVESTMENT IN POLES PROCUREMENT

This account represents the amount of investment usually in the form of advances, placed with entities engaged in the supply of poles in order to assure regular supply.

Debit this account for:

- 0 Amount advanced or invested.

Credit this account for:

- 0 Disposition, termination or maturity of investments.

III. CASH AND TEMPORARY CASH INVESTMENTS

130-131-00 CASH IN BANK - GENERAL FUND

This account represents the total of the balances in the sub-accounts Cash in Bank - General Fund - Current and Cash in Bank - General Fund - Savings.

130-131-10 CASH IN BANK - GENERAL FUND - CURRENT

This account represents the general fund maintained in a current account of the REC. This account consists of deposits arising from collection of receivables, other revenues and amounts transferred from general fund savings account for use in the conduct of its operations.

Debit this account for:

- 0 Cash deposited arising from collection of receivables and other revenues.
- 0 Amounts transferred from general fund savings accounts maintained by Sub offices.

Credit this account for:

- 0 Withdrawals through checks.
- 0 Service fees charged by the bank pertaining to the current account.

130-131-20 CASH IN BANK - GENERAL FUND - SAVINGS

This account represents the general fund maintained in a savings account of the REC. This account consists of deposits arising collection of receivables and other miscellaneous revenues. Separate savings accounts shall be maintained by both the main Office and Sub Offices.

Debit this account for:

- 0 Cash deposited arising from collection of receivables and other revenues.
- 0 Interest earned from the deposit as credited by the bank.

Credit this account for:

- 0 Amount transferred to general fund - current and other accounts.
- 0 Bank charges pertaining to savings accounts.

130-132-00 CASH IN BANK - LOAN FUNDS

This account represents the total of all Cash in bank - Loan Fund sub accounts below.

- 130-132-10 CASH IN BANK - CONSTRUCTION**
- 130-132-20 CASH IN BANK - HOUSEWIRING**
- 130-132-30 CASH IN BANK - REHABILITATION**
- 130-132-40 CASH IN BANK - EXPANSION**
- 130-132-50 CASH IN BANK - LOGISTICAL**
- 130-132-60 CASH IN BANK - OTHERS LOAN FUNDS**

These accounts are used to record cash proceeds from loans acquired to finance specific projects like construction of electric property, procurement of poles, wiring and installation of electrical facilities of consumers, etc.

Debit these accounts for:

- 0 Cash proceeds from loan
- 0 Interest earned on deposit as credited by the bank

Credit these accounts for:

- 0 Cash disbursed for approved loan purposes.

30-133-00 CASH ON HAND

This account represents the undeposited collections both at the Main Office and Sub Offices arising from collections of power bills and other receivables.

- 130-133-10 CASH ON HAND - MAIN OFFICE**
- 130-133-20 CASH ON HAND - SUB OFFICE**

These accounts represent undeposited collections which must be deposited intact with the authorized depository bank on the following banking day.

Debit these accounts for:

- 0 Cash received arising from collection of power bills and other receivables.

Credit these accounts for:

- 0 Deposits made to specific depository bank accounts.

130-134-00 CASH IN BANK - OTHERS

This account represents the total of all Cash in Bank for specific consumer deposit sub accounts below.

130-134-10 CASH IN BANK - ENERGY DEPOSITS

130-134-20 CASH IN BANK - METER DEPOSITS

130-134-30 CASH IN BANK - TRANSFORMER DEPOSITS

130-134-40 CASH IN BANK - ADVANCE PAYMENTS

These accounts represent deposits from consumers for energy to secure payment of bills, meters, transformers as well as advance payment for electric bills.

Debit these accounts for:

- 0 Deposit made to specific depository bank accounts.
- 0 Interest earned on deposit as credited by the bank.

Credit these accounts for:

- 0 Withdrawals due to refunds made to member-consumers.
- 0 Application of deposits to the account due from consumers following REC policies.
- 0 Bank charges applicable to the specific bank account.

130-135-00 WORKING FUNDS

These accounts represents the total of the revolving and petty cash funds.

130-135-10 REVOLVING FUND

This account represents the amount of funds in the custody of employees or agents authorized to make disbursements for the specific purpose it was established. Records shall be kept showing the amount held by each custodian. The fund shall be operated on an imprest basis and a record of receipts and disbursements shall be maintained.

Debit this account for:

- 0 Amount placed in the fund when established:
- 0 Increases in the fund amount.

Credit this account for:

- 0 Decreases in the fund amount.

130-135-20 PETTY CASH FUND

This account represents a small amount of money set aside to defray minor disbursements of varied nature and maintained under the imprest system. At all times, the total cash on hand and unreimbursed (those supported by invoices or receipts) should equal the total amount of the fund.

Debit this account for :

- 0 Amount placed in the fund when established;
- 0 Increases in the fund amount.

Credit this account for:

- 0 Decreases in the fund amount.

130-136-00 TEMPORARY CASH INVESTMENTS

This account represents investments in Philippine Treasury Certificates and bonds, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

Investments classified under this account are normally convertible to cash within one year or less. The expected time within the cash will be used shall be the basis for determining whether and investment shall fall under this classification.

Upon redemption, in an investment's redeemable value is more than its purchased value, the difference shall be credited total account 321-419-00, Interest and Dividend Income.

Debit this account for:

- 0 Cost of temporary cash investments acquired:
- 0 Increase in redemption value.

Credit this account for:

- 0 Book value of temporary cash investments sold or otherwise disposed of.

IV. NOTES AND ACCOUNTS RECEIVABLES

140-141-00 NOTES RECEIVABLE

This account represents all collectible obligations covered by promissory notes and similar evidences of money due on demand or within one year from the date of issue except notes receivable from associated organizations.

Promissory Notes given by customers for installation loans or in settlement of accounts receivables shall be charged directly to this account regardless of maturity date.

Debit this account for:

- 0 Face value of promissory notes due upon demand or within one year from the date of issue.
- 0 Promissory notes received from customers for installation loans or in settlement of accounts receivables.

Credit this account for:

- 0 Amount collected on notes receivable (exclusive of interest, unless included in the face).

140-142-00 CONSUMER ACCOUNTS RECEIVABLES

This account represents all collectibles arising from transactions with customers lodged in the accounts Consumer Accounts Receivables - Energy and Consumer Accounts Receivable - Others.

140-142-10 CONSUMER ACCOUNTS RECEIVABLE - ENERGY

This account represents amount due from customers for electric service including surcharges which have been billed. As this is controlling account, the balance of this account shall be reconciled with the consumers' subsidiary records on a monthly basis.

Debit this account for:

- 0 Amount billed to customers for electric service
- 0 Penalties, connection fees and reconnection fees.

Credit this account for:

- 0 Cash collections.
- 0 Notes received in settlement of account receivables from consumers.
- 0 Uncollectible accounts written-off.
- 0 Amount of billing applied against specific customer's accounts like Consumer Energy Prepayments.

140-142-20 CONSUMER ACCOUNTS RECEIVABLES - OTHERS

This account represents all billings to customers not otherwise arising from electric service facilities. It includes collectibles from merchandising, jobbing, contract work and such other customer-related activities. Details of the amount due from each consumer-debtor shall be kept in a subsidiary ledger and balanced monthly with account.

Debit this account for:

- 0 Amount of billings to customers for merchandising, jobbing, contract work, and others customer-related activities not otherwise arising from electric service facilities.

Credit this account for:

- 0 Cash collections.
- 0 Notes taken in settlement of customers' account.
- 0 Uncollectible accounts written-off.
- 0 Amount of billing applied against specific customers' credits, etc.

140-143-00 OTHER ACCOUNTS RECEIVABLES

This account represents the total of the sub-accounts in the nature of non-customer-related billings such as Rent Receivables, Interest Receivables and Other Accounts Receivables.

140-143-10 RENT RECEIVABLES

This account represents billings to lessees for the use of the property or facilities owned by the REC.

Debit this account for:

- 0 Amount of rent income earned but not yet collected.

Credit this account for:

- 0 Collections made from lessees.

140-143-20 INTEREST AND DIVIDEND RECEIVABLES

This account represents the interest on bonds, mortgages, notes, commercial papers, loans, open accounts, deposits, and dividends from security and stock investments, etc. Records shall be maintained in order to properly segregate interest and dividend collectible from each source.

Debit this account for:

- 0 Amount of interest earned but not yet collected.
- 0 Amount of dividend earned but not yet collected.

Credit this account for:

- 0 Collection of receivables.

140-143-30 OTHER ACCOUNTS RECEIVABLES

This account represents other outstanding receivables which are not included in the specific receivable accounts described above.

Debit this account for:

- 0 Amount of receivable being billed.

Credit this account for:

- 0 Collection of receivables.

140-144-00 ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

This account represents the total of the balances in sub-accounts Allowance for Uncollectible Consumer Accounts - Energy and Allowance for Uncollectible Consumer Accounts - Others.

The amount set aside as provision for uncollectible accounts as well as debits to this account should have prior approval of NEA.

140-144-10 **ALLOWANCE FOR UNCOLLECTIBLE CONSUMER ACCOUNTS - ENERGY**

These accounts represent the amount set-up against current operations to provide possible losses from non-collection of customers accounts receivables arising from electric and non electric service operations. In setting up the provisions for bad debts, considerations shall be given to previous bad debt experience, age and magnitude of delinquent accounts vis-à-vis total outstanding receivables balance.

Debit these accounts for:

- 0 Amounts determine to be uncollectible and already authorized for write-off after applying consumer deposits.
- 0 Decrease of existing allowance.

Credit these accounts for:

- 0 Set-up of allowance for estimated uncollectible accounts.
- 0 Increase of existing allowance.

140-145-00 **ADVANCES TO OFFICERS AND EMPLOYEES**

This account represents amount advanced to officers and employees to defray expenses to be incurred in the conduct of official business, subject to liquidation at a specific time in the future.

When an officer or employee has ceased to be employed in the REC, any outstanding obligation he has shall remain in this account until such time that it has been paid. Except for liquidation or payment, no credits shall be made to this account unless with prior approval from NEA.

Debt this account for:

- 0 Amount of advances given to officers and employees.

Credit this account for:

- 0 Liquidation or payment of advances.

140-146-00 **DUE FROM OTHER RECS**

This account represents the amount collectible from other RECs arising from the transfer of materials which are expected to be paid in full within one year from the date it was incurred, together with any interest thereon.

Debit this account for:

- 0 Cost of materials transferred to other RECs.

Credit this account for:

- 0 Payments received.

V. MATERIALS AND SUPPLIES

150-151-00 MATERIALS AND SUPPLIES - FUEL STOCK

This account represents the cost of fuel on hand.

Debit this account for:

- 0 Invoice price less any cash or other discounts.
- 0 Freight, switching, demurrage and other transportation charges except any charges for unloading from the shipping medium.
- 0 Excise taxes, purchasing agents' commissions, insurance and other expenses directly assignable to cost of fuel;

Credit this account for:

- 0 Issuance to operations.

150-154-00 MATERIALS AND SUPPLIES - ELECTRIC

This account represents the cost of materials purchased primarily for use in the conduct of utility business for construction, operation and maintenance purposes and materials recovered in connection with construction, maintenance or retirement of property.

Debit this account for:

- 0 Cost of electric materials and supplies purchased.
- 0 Freight, insurance, unloading, handling and other transportation charges, if can be directly assigned to particular purchases.
- 0 Cost of special tests of materials prior to acceptance.

Credit this account for:

- 0 Cost of materials issued or disposed of.

150-155-00 MATERIALS AND SUPPLIES - HOUSEWIRING

This account represents cost of materials and supplies held primarily for housewiring, merchandising, jobbing and contract work, including all the expenses incurred in unloading and handling upon purchase.

Debit this account for:

- 0 Cost of materials and supplies purchased.
- 0 Incidental expenses incurred in unloading and handling upon purchase.

Credit this account for:

- 0 Cost of materials and supplies issued.

150-157-00 MATERIALS AND SUPPLIES - OTHERS

This account represents cost of materials and supplies held primarily for use in the repairs and maintenance of general plant items such as vehicles, office equipment and like items.

Debit this account for:

- 0 Cost of materials and supplies purchased.

Credit this account for:

- 0 Cost of issuances.

150-156-00 OFFICE SUPPLIES

This account represents the cost of postage, stationery and all other office supplies on hand.

Debit this account for:

- 0 Cost of office supplies purchased.

Credit this account for:

- 0 Cost of office supplies issued.

150-163-00 STORES EXPENSE UNDISTRIBUTED

This account shall include the cost of freight and delivery charges not

directly identifiable to each type of materials and supplies purchased.

This account shall be cleared by adding to the cost of materials and supplies issued a prorated amount of freight and delivery charges to distribute the expenses equitably over stores issues.

Debit this account for:

- 0 Freight, delivery and handling charges of materials and supplies purchased when not assignable to specific items.
- 0 Adjustments of inventories of materials but not including large differences which can readily be assigned to important classes of materials and equitably distributed among the accounts to which such class of materials were charged since the previous inventory.
- 0 Excise and other similar taxes (paid on materials and supplies purchase) not assignable to specific materials.

Credit this account:

- 0 Amount prorated to materials and supplies issued.

VI. *OTHER CURRENT AND ACCRUED ASSETS*

160-165-00 PREPAYMENTS

This account represents the total of the balances of sub-accounts Prepayments - Insurance and Other Prepayments.

160-165-10 PREPAYMENTS - INSURANCE

This account represents the amount of insurance premiums paid in advance. At month-end, an entry shall be prepared charging the appropriate account and crediting this account for the expense portion. A register shall be maintained to show the amount and type of insurance carried, the company with which it is carried, the amount of premium charges to be made each month and other relevant information.

Debit this account for:

- 0 Amount of advance payments made for insurance premiums.

Credit this account for:

- 0 Monthly expired costs or rebates on insurance premiums.

160-165-20 **OTHER PREPAYMENTS**

This account represents the amount of other prepayments such as rent, rent, maintenance contracts and miscellaneous items not provided for elsewhere.

A subsidiary ledger must be kept showing the amount and nature of each prepayments.

Debit this account for:

0 Amount of advance payments.

Credits this account for:

0 Monthly expired costs or charges to expense.

0 Refund/application to rentals due.

160-174-00 **MISCELLANEOUS CURRENT AND ACCRUED ASSETS**

This account represents the cost of all other current and accrued assets not otherwise provided for in the specific accounts above. A detailed record of this account shall be kept to show the nature and amount of the assets classified therein.

VII. *DEFERRED DEBITS*

170-180-00 **RETIREMENT WORK IN PROGRESS**

This account represents the cost of depreciable production, transmission and distribution plant properties including installation cost, due for retirement from service. The balance of this account consists of the total balances of open retirement work orders.

Retirement on non-depreciable plant shall be recorded by directly crediting the specific plant account for the original cost of the property. When the rights land associated therewith no longer exists, a corresponding adjustment shall be made in the books by debiting account 211-218-00, Capital Gains and Losses.

Debit this account for:

0 Costs incurred or payments made on plant items being retired.

Credit this account for:

- 0 Costs of completed retirement work orders.

170-182-00 EXTRAORDINARY PROPERTY LOSSES

This account represents extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provision for depreciation or amortization, such as unforeseen damages to property, which could not have been reasonably foreseen and are not covered by insurance or other provisions.

Charges to this account shall only be made when authorized or directed by NEA. Application to NEA for permission to use this account shall be accompanied by a statement giving full account of the charges, and the period and particular accounts it proposes to write-off the charges.

Debit this account for:

- 0 Net loss in service value of property retired or removed from service.

Credit this account for:

- 0 Monthly amortization charges.

170-183-00 PRELIMINARY SURVEY AND INVESTIGATION CHARGES

This account represents all expenses incurred for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation. A subsidiary ledger shall be maintained for this account to indicate the nature, amount and purpose of the surveys, plans, etc.,

If construction results, the amount charged herein shall be transferred to the appropriate Construction Work-in-Progress account. Otherwise, if the work is abandoned, it shall be charged to account 461-427-00, Miscellaneous Expenses.

Debit this account for:

- 0 Expenses incurred for preliminary surveys, plans, investigations, etc.
- 0 Cost of studies and analyses mandated by regulatory bodies related to plant in service.

Credit this account for:

- 0 Amount charged to the appropriate Construction Work in Progress, if construction results.
- 0 Amount charged to Miscellaneous Expenses, or to appropriate operating expense account, if work is abandoned.

170-187-00 INTEREST CHARGES TO CONSTRUCTION

This account represents the interest charges on loans acquired to finance construction activities. Once construction has been completed and the corresponding CWO closed to the appropriate electric plant service account, the amount recorded herein shall be capitalized to the same electric plant account.

Debit this account for:

- 0 Interests on loans financing an ongoing construction

Credit this account for:

- 0 Distribution to the appropriate construction work upon completion

170-188-00 OTHER DEFERRED DEBITS

This account represents all other debit charges and unusual or extraordinary expenses not included in the specific accounts, the final disposition of which is uncertain, or the amount is to be amortized or written off over future periods. When the physical inventory of materials and supplies shows a total value which is substantially lesser than the general ledger balance, the difference may be adjusted by debiting this account.

The REC shall only have two (2) months to resolve and transfer all entries temporarily debited to this account, to their appropriate accounts.

Debit this account for:

- 0 Debit charges and unusual and extraordinary expenses not provided for elsewhere.

Credit this account for:

- 0 Amounts transferred to appropriate accounts when final disposition has been determined.
- 0 Amounts amortized or written off.

EQUITIES AND LIABILITIES

VII. *EQUITIES AND MARGINS*

211-200-00 MEMBERSHIPS

This account represents the face value of the members' equity. A register shall be maintained to show the name, address, date of payment, amount paid and certificate number of each member.

Credit this account for:

0 Face value of the member's equity.

Debit this account for:

0 Paid-in amount of member's equity forfeited or canceled.

211-201-00 PATRONAGE CAPITAL

This account represents the balance of the accounts Patron's Capital Credits and Patron's Capital Assignable.

211-201-10 PATRON'S CAPITAL CREDIT

This account represents the amount that have been assigned and credited as capital credits to the member-consumers on a patronage basis. A subsidiary ledger shall be maintained showing details of allocation as well as retirements, on a per member-consumer (patron) basis.

Credit this account for:

0 Amount of capital credit assigned to consumers

Debit this account for:

0 Amount of patronage capital to be paid or applied by adjustments to consumer accounts.

211-201-20 PATRONAGE CAPITAL ASSIGNABLE

This account represents the amount of operating and non-operating margins declared for allocation as capital credits.

Credit this account for:

- 0 Amount allocated for capital credits.

Debit this account for:

- 0 Amount of capital credit assigned to consumers.

211-208-00 DONATED CAPITAL

This account represents contributions, grants or aid received by the REC in the form of cash, commodities or services and all other forms of services given by an entity source to the REC. It also includes forfeited membership fees. A record shall be maintained showing the details of charges to this account, including the source.

Credit this account for:

- 0 Amount of cash, commodities or services received in the form of contributions, grants or aid.
- 0 Forfeited membership fees.

Debit this account for:

- 0 Adjustments related to the original entries crediting the account.

211-211-00 MISCELLANEOUS CONTRIBUTED CAPITAL

This account represents the total balance of the sub-account, Contributions-in-aid of Construction.

211-211-10 CONTRIBUTIONS-IN-AID OF CONSTRUCTION

This account represents cash, materials, labor and other items provided by the customers in the form of donation or contribution to the REC to cover the cost of construction of new distribution lines wherein the donor - customers shall be the primary beneficiaries.

Credit this account for:

- 0 Amount of cash, materials, labor and other items contributed for construction purposes.

Debit this account for:

- 0 Adjustment covering the original entries crediting this account.

211-212-00 **REVALUATION INCREMENT**

This account represents the net increase in the value of assets arising from the recognition of appraised value in the books of account. This is a contra account to the Appraisal Increment, account 111-116-00. The entries to this account should have prior approval of NEA.

Credit this account for:

- 0 Difference between the book value and appraised value of plant properties appraised by a licensed appraiser.

Debit this account for:

- 0 Adjustments covering the original entries crediting this account.

211-218-00 **CAPITAL GAINS AND LOSSES**

This account represents the difference between (a) the net book value (acquisition cost less accumulated depreciation) and (b) the consideration received (net of commissions and other related expenses) on property sold, transferred, or conveyed.

Credit or Debit the account for:

- 0 Difference between the net book value and consideration received on property sold, transferred or conveyed.

211-215-00 **APPROPRIATED MARGINS**

This account represents margins (or accumulated earnings) appropriated as reserve for certain projects. Records shall be maintained for this account to show details of each reserve amount, its nature and debits and credits thereto.

211-219-00 **UNAPPROPRIATED MARGINS**

This account represents the total balance of the sub-accounts Operating Margins and Non-Operating Margins.

211-219-10 **OPERATING MARGINS**

This account represents the cumulative operating net income or net loss incurred for the past years.

Credit this account for:

- 0 Net income from operating activities (transferred from Income and Expense Summary) at the end of each accounting period.

Debit this account for:

- 0 Net loss from operating activities (transferred from Income and Expense Summary) at the end of each accounting period.

212-219-20 NON-OPERATING MARGINS

This account represents the cumulative balance of non-operating net income/loss for the past years.

Credit this account for:

- 0 Net income from non-operating activities (transferred from Income and Expense Summary) at the end of each accounting period.

Debit this account for:

- 0 Net loss from non-operating activities (transferred from Income and Expense Summary) at the end of each accounting period.

IX. LONG-TERM AND SHORT-TERM DEBTS

221-224-00 LONG-TERM DEBT - PRINCIPAL & CAPITALIZED INTEREST

This account represents the total balances of the accounts, Long-term Debt - Construction, Long-term Debt-Housewiring, Long-term Debt- Rehabilitation, Long-term Debt- Expansion, Long-term Debt-Logistical, and Long-term Debt- Others.

221-224-10 LONG-TERM DEBT-CONSTRUCTION

221-224-20 LONG-TERM DEBT-HOUSEWIRING

221-224-30 LONG-TERM DEBT-REHABILITATION

221-224-40 LONG-TERM DEBT-EXPANSION

221-224-50 LONG-TERM DEBT-LOGISTICAL

221-224-60 LONG-TERM DEBT-OTHERS

These accounts represent the proceeds on long-term loans for construction, housewiring and add-ons, rehabilitation of plant and plant facilities, expansion, logistical and other long-term debt maturing more than five (5)

years from the date of the loan. It also includes the interest due (on these loans during the grace period) the payment of which was deferred by the terms of the loan agreement.

Credit these accounts for:

- 0 Receipt of loan proceeds.
- 0 Interest incurred during grace period.

Debit these accounts for:

- 0 Reclassification of amount due to specific sub-accounts on Matured
- 0 Long-Term Debt (Account 230-239-00)

222-225-00 SHORT-TERM DEBT

This Account represents the total of the balances of the sub-accounts Emergency Loan and Other Short-term Debt. It shall include all notes and obligations maturing from one years to five years from the date thereof.

222-225-10 EMERGENCY LOAN

This account represents the principal proceeds of short-term loan from NEA intended for emergency purposes only.

Credit this account for:

- 0 Loan proceeds of emergency loan.

Debit this account for:

- 0 Reclassification of amount due on principal to Matured Short-Term Debt (Account 230-239-70)

222-225-20 OTHER SHORT-TERM DEBT

This account represents all short-term debts except those specifically classified as emergency loan. A Subsidiary ledger shall be maintained to indicate details of this account.

Credit this account for:

- 0 Loan proceeds of other short-term debts.

Debit this account for:

- 0 Reclassification of amount due on principal to Matured Short-Term Debt (Account 230-239-70)

223-235-00 CONSUMERS' DEPOSIT

This account represents the total balances of the Consumers' Deposit's sub accounts on energy, housewiring, meters, transformers and others.

223-235-10 CONSUMERS' DEPOSIT-ENERGY

This account represents the deposits made by the consumers as a guarantee for payment of electric service bills.

Credit this account for:

- 0 Amount received as consumer's deposit for energy.

Debit this account for:

- 0 Refund or application of deposit against final bill to consumer upon discontinuance of service.

223-235-20 CONSUMERS' DEPOSIT- HOUSEWIRING

This account represents the deposits made by the consumers for wiring and installation of electrical facilities, jobbing, contract work, etc. in the consumer's premises.

Credit this account for:

- 0 Amount received as consumer's deposit for housewiring.

Debit this account for:

- 0 Application of deposit against the bill to consumers for housewiring.

223-235-30 CONSUMERS' DEPOSIT-METERS

This account represents the deposit required from each consumer for the meters that will be installed in his location, in the course of his application for electric service.

Credit this account for:

- 0 Amount of deposit for meters received form the consumers.

Debit this account for:

- 0 Refund or application of deposit against final bill to consumer upon discontinuance of service.

223-235-40 CONSUMERS' DEPOSIT-TRANSFORMERS

This account represents the deposit required from consumers for transformers that will be installed in his location, in the course of his application for electric service.

Credit this account for:

- 0 Amount of deposit for transformers received form consumers.

Debit this account for:

- 0 Refund or application of deposit against final bill to consumer upon discontinuance of service.

223-235-50 CONSUMERS' DEPOSIT-OTHERS

This account represents the deposits made by consumers for purposes other those than provided above.

Credit this account for:

- 0 Amount of deposit received from consumers.

Debit this account for:

- 0 Refund of deposit or application against any amount due from the consumer.

X. CURRENT AND ACCRUED LIABILITIES

230-231-00 NOTES PAYABLE

This account represents 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 the date thereof.

Credit this account for:

0 Face value of notes payable within one year from the date thereof.

Debit this account for:

0 Notes paid or reclassified to long-term debt.

230-232-00 ACCOUNTS PAYABLE

This account represents all amounts due to power supplier for the purchase of power including fuel adjustments, surcharges, etc.

Credit this account for:

0 Amount due for the purchase of power.

Debit this amount for:

0 Payment made to settle or liquidate the above liability.

230-232-20 ACCOUNTS PAYABLE-CONTRACTORS

This account represents the amounts payable to contractors for services rendered such as engineering, construction, etc.

Credit this account for:

- 0 Amount due covering the above transactions and supported by appropriate documents and approved vouchers.

Debit this account for:

- 0 Payments made to settle or liquidate amounts due.

230-232-30 ACCOUNTS PAYABLE-OTHERS

This account represents all other accounts payable not specifically provided for in the accounts mentioned above, and which is due for settlement upon demand or within one (1) year from the date thereof.

Credit this account for:

- 0 Amount due on various procurement or services supported by appropriated documents and approved vouchers.

Debit this account for:

- 0 Payments made to settle or liquidate amounts due.

230-234-00 DUE TO OTHER RECS

This account represents the amount due to other RECs representing the cost of materials borrowed which are expected to be paid in full within one year from the date it was incurred, together with any interest thereon.

Credit this account for:

- 0 Cost of materials received from other RECs.

Debit this account for:

- 0 Payments made.

230-236-00 TAXES ACCRUED

This account represents the total of the sub-accounts Accrued Property Taxes and Accrued Taxes-Others.

230-236-10 ACCRUED PROPERTY TAXES

This account represents taxes on the real estate properties owned by the REC already due but not yet paid.

Credit this account for:

0 Recognition of property taxes due.

Debit this account for:

0 Payment of property taxes accrued.

230-236-20 ACCRUED TAXES-OTHERS

This account represents all non-property taxes already due but not yet paid.

Credit this account for:

0 Recognition of non-property taxes due.

Debit this amount for:

0 Payment of non-property taxes previously accrued.

230-237-00 INTEREST ACCRUED

This represents the total of the balances in sub-accounts Interest Accrued-Construction Loan, Interest Accrued-Housewiring Loan, Interest Accrued-Rehabilitation Loan, Interest Accrued-Expansion Loan, Interest Accrued-Logistical Loan, Interest Accrued-Long-term Loans- Others, Interest Accrued-Short-term Loan and Interest Accrued-Others.

Interest not paid when due shall be transferred to the appropriate Matured Interest Payable account.

230-237-10 INTEREST ACCRUED- CONSTRUCTION LOAN

230-237-20 INTEREST ACCRUED-HOUSEWIRING LOAN

230-237-30 INTEREST ACCRUED-REHABILITATION LOAN

230-237-40 INTEREST ACCRUED-EXPANSION LOAN

230-237-50 INTEREST ACCRUED -LOGISTICAL LOAN

These accounts represent the amount of interest already incurred but not yet due for payment following the amortization schedule on loans for construction, rehabilitation, housewiring, expansion and logistical.

Credit these accounts for:

0 Monthly accrual of interest due on loans.

Debit these account for:

- 0 Payment of interest previously accrued.
- 0 Payment of interest previously accrued.

230-237-60 INTEREST ACCRUED-LTD-OTHERS

This account represents interest already incurred but not yet due on other long-term loans not specifically provided for in the accounts described above.

Credit this account for:

- 0 Monthly accrual of interest of other long-term loans.

Debit this amount for:

- 0 Payment of interest previously accrued.
- 0 Amount due but not paid and transferred to account, Matured Interest Payable – LTD - Others.

230-237-70 INTEREST ACCRUED-SHORT TERM LOANS DEBTS

This account represents interest already incurred but not yet due on short-term loans.

Credit these accounts for:

- 0 Monthly accrual of interest.

Debit these account for:

- 0 Payment of interest previously accrued.
- 0 Interest already due but not yet paid and transferred to account, Matured Interest Payable-Short Term Debt.

230-237-80 INTEREST ACCRUED-OTHERS

This account represents interest already incurred but not yet due on other liabilities not specifically classifiable in the accounts described above.

Credit these accounts for:

- 0 Monthly accrual of interest.

Debit this amount for:

0 Payment of interest previously accrued.

230-239-00 MATURED LTD AND STD - PRINCIPAL

This account represents the total balances of sub-accounts Matured Long-term Debt-Construction, Matured Long-term Debt- Housewiring, Matured Long-term Debt-Rehabilitation, Matured Long-term Debt - Expansion, Matured Long-term Debt - Logistical, and Matured Short-term Debt and Matured Long-term Debt - Others.

230-239-10 MATURED LONG-TERM DEBT - CONSTRUCTION

230-239-20 MATURED LONG-TERM DEBT - HOUSEWIRING

230-239-30 MATURED LONG-TERM DEBT - REHABILITATION

230-239-40 MATURED LONG-TERM DEBT - EXPANSION

230-239-50 MATURED LONG-TERM DEBT - LOGISTICAL

This account represents the amount of long-term debt on construction, housewiring, rehabilitation, expansion, logistical, and other long-term loans maturing within the next accounting period and those which have already matured and remained unpaid, without specific agreement for extension of the time of payment.

Credit this account for:

0 Amount of principal maturing within the next accounting period.

Debit this amount for:

0 Payment made on matured long-term debt.

230-239-70 MATURED SHORT-TERM DEBT

This account represents the amount of short-term debt maturing within the next accounting period and those which have already matured and remained unpaid, without specific agreement for extension of the time of payment.

Credit this account for:

0 Amount of short term debt maturing within the next accounting period.

Debit this amount for:

0 Payment made on matured short-term debt.

230-240-00 MATURED INTEREST PAYABLE

This account represents the total balances of sub-accounts Matures Interest Payable - Construction, Matures Interest Payable - Housewiring, Matures Interest Payable - Rehabilitation, Matures Interest Payable -Expansion, Matures Interest Payable - Logistical, Matures Interest Payable - Long-Term Debt - Others and Matures Interest Payable - Short Term Debt.

230-240-10 MATURED INTEREST PAYABLE - CONSTRUCTION

230-240-20 MATURED INTEREST PAYABLE - HOUSEWIRING

230-240-30 MATURED INTEREST PAYABLE - REHABILITATION

230-240-40 MATURED INTEREST PAYABLE - EXPANSION

230-240-50 MATURED INTEREST PAYABLE - LOGISTICAL

230-240-60 MATURED INTEREST PAYABLE - LTD - OTHERS

230-240-70 MATURED INTEREST PAYABLE - SHORT TERM DEBT

These accounts represent the interests due for payment but remain unpaid on loans for construction, housewiring, rehabilitation, expansion, logistical, and other long-term debts. The amounts in these accounts are the result of the reclassification of interest incurred and accrued from the account 230-237-00, Interest Accrued.

Credit this account for:

- 0 Amount transferred from the appropriate sub account on Interest. Accrued for interests already due but not yet paid.

Debit this amount for:

- 0 Payment of matured interest

230-241-00 WITHHOLDING TAX PAYABLE

This account represents the total of the balances in sub-accounts Withholding Tax Payable - Contractors and Withholding Tax Payable - Employees.

230-241-00 WITHHOLDING TAX PAYABLE - CONTRACTORS

This account represents the taxes withheld from payments made to contractors

Credit this account for:

- 0 Amount of contractors' tax withheld.

Debit this amount for:

- 0 Remittance of such taxes withheld to the Bureau of Internal Revenue (BIR).

230-241-20 WITHHOLDING TAX PAYABLE - EMPLOYEES

This account represents the taxes deducted or withheld from salaries and wages of employees, subject to remittance to the BIR, in accordance with existing rules and regulations.

Credit this account for:

- 0 Amount of income tax withheld.

Debit this amount for:

- 0 Remittance of such taxes withheld to the BIR.

230-243-00 PATRONAGE CAPITAL PAYABLE

This account represents the amount of patronage capital to be paid or applied by adjustment to consumer accounts.

Credit this account for:

- 0 Amount recognized or decided to be paid.

Debit this amount for:

- 0 Payment made or actual applications to consumers accounts.

XI. *OTHER CURRENT AND ACCRUED LIABILITIES*

240-242-00 MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES

This account represents total of the balances in sub-accounts Accrued Rentals, Accrued Payroll and Accrued Employees' Vacation and Holidays, SSS Medicare and Contributions Payable and Other Current and Accrued Liabilities.

Subsidiary ledgers shall be maintained for each sub-account.

240-242-10 ACCRUED RENTALS

This account represents the estimated liability for unpaid joint use pole rentals and other rentals. A subsidiary ledger shall be maintained showing the type of rental, the basis for accrual and the amount accrued.

Credit this account for:

0 Amount monthly rental accrual.

Debit this amount for:

0 Payment of accrued rentals.

240-242-20 ACCRUED PAYROLL

This represents the estimated liability for salaries and wages.

Credit this account for:

0 Amount of payroll accrued.

Debit this amount for:

0 Payment of payroll accrued.

240-242-30 ACCRUED EMPLOYEES' VACATIONS AND HOLIDAYS

This account represents the estimated liability for employee's vacations and holidays. Accrued sick leaves are not recognized since the obligation of the REC is contingent only on actual sickness of employees.

Credit this account for:

0 Accrual of employees' vacations and holidays.

Debit this amount for:

0 Payment of employees' vacations and holidays accrued.

240-242-40 SSS AND MEDICARE CONTRIBUTIONS PAYABLE

This account represents the amount of premium withheld from the employees' salaries and the REC's own share in the SSS and Medicare premium contributions.

Credit this account for:

- 0 Amount of premium contributions withheld from employees.
- 0 Amount of the REC's contribution to the SSS and Medicare premium.

Debit this amount for:

- 0 Amount remitted to the SSS.

240-242-50 ACCRUED RETIREMENT PAYABLE

This account represents an estimated liability resulting from retirement of employees entitled to such pay. The accrual shall be based on approved application for retirement and shall be recognized only at the effectivity date of retirement.

Credit this account for:

- 0 Amount of liability incurred for retirement.

Debit this amount for:

- 0 Payment made.

240-242-60 OTHER CURRENT AND ACCRUED LIABILITIES

This account represents other current and accrued liabilities not specifically classifiable in the accounts described herein.

Credit this account for:

- 0 Amount of liability incurred but not yet paid.

Debit this amount for:

- 0 Amount of accrued liability paid.

XII. *DEFERRED CREDITS*

250-252-00 CONSUMER ADVANCES FOR CONSTRUCTION

This account represents the advances made by consumers for construction which are to be refunded either wholly or in part. When the amount

refunded is lesser than the consumer's advances, the differences in amount shall be credited to account 211-211-10, Contributions-in-Aid of Construction.

Credit this account for:

0 Advances made by customers for construction costs.

Debit this amount for:

0 Amount refunded to the customers.

0 Amount reclassified to account Contributions in-Aid- of Contribution.

250-253-00 CONSUMERS' ENERGY PREPAYMENTS

This account represents advance payment on future power bills made by consumers in connection with electric service. This advance payments shall be applied to unpaid power bills.

Credit this account for:

0 Amount of advance payments received from customers.

Debit this amount for:

0 Amount refunded or applied against current billings.

250-254-00 OTHER DEFERRED CREDITS

This account represents all other deferred credit items not included in the specific accounts described herein, the final disposition of which is deferred pending the receipt of additional information or the occurrence of some event. The REC shall only have two (2) months to resolve and transfer all entries temporarily credited to this account, to their appropriate accounts.

Credit this account for:

0 Credit items whose disposition is being deferred.

Debit this amount for:

0 Amounts whose proper disposition is finally determined.

0 Amounts written off at a predetermined rate.

XIII. RESERVE

260-261-00 PROPERTY INSURANCE RESERVE

This account represents the amounts reserved by the utility for self-insurance against losses through accident, fire, flood or other hazards to property.

Credit this account for:

0 Amount reserved for property insurance.

Debit this amount for:

0 Actual cost incurred for losses.

260-262-00 INJURIES AND DAMAGES RESERVE

This account represents the amount reserved to meet probable liability not covered by insurance for deaths or injuries to employees or damages to property.

Credit this account for:

0 Amount reserved for liabilities not covered by insurance.

Debit this amount for:

0 Actual cost incurred for such liabilities.

260-263-00 PENSIONS AND BENEFITS RESERVE

This account represents provisions made by the REC and the contribution of employees for pensions, savings, relief death benefits and other provident purposes.

Credit this account for:

0 Amount reserved for purposes described above.

Debit this amount for:

0 Actual cost incurred for the above liabilities.

INCOME ACCOUNTS

XIV. *UTILITY OPERATING REVENUES*

311-000-00 OPERATING REVENUES

This account represents the total of sub-accounts Residential Sales, Irrigation Sales, Commercial Sales, Industrial Sales, Sales to Public Street and Highway Lighting, Sales to Public Building and Facilities, Sales to Communal Water System and Sale for Resale.

311-440-00 RESIDENTIAL SALES

This account represents billing for electricity supplied for residential or domestic purposes.

Credit this account for:

- 0 Gross billings for electricity supplied to residential consumers.
- 0 Adjustments due to underbillings

Debit this amount for:

- 0 Adjustments due to overbillings.
- 0 Year-end closing to Income and Expense Summary account.

311-441-00 IRRIGATION SALES

This represents electricity supplied for irrigation pumping.

Credit this account for:

- 0 Gross billings for electricity supplied to irrigation pumping.
- 0 Adjustments due to underbillings

Debit this amount for:

- 0 Adjustments due to overbillings.
- 0 Year-end closing to Income and Expense Summary account.

311-442-00 COMMERCIAL SALES

This account represents electricity supplied for commercial purposes. When electricity is supplied through a single meter for both commercial and

residential purposes, the total revenue shall be included in the account, Residential Sales.

Credit this account for:

- 0 Gross billings to commercial consumers.
- 0 Adjustments due to underbillings

Debit this amount for:

- 0 Adjustments due to overbillings.
- 0 Year-end closing to Income and Expense Summary account.

311-443-00 INDUSTRIAL SALES

This account represents electricity supplied to industrial consumers.

Credit this account for:

- 0 Gross billings to industrial consumers.
- 0 Adjustments due to underbillings

Debit this amount for:

- 0 Adjustments due to overbillings.
- 0 Year-end closing to Income and Expense Summary account.

311-444-00 SALES TO PUBLIC STREET AND HIGHWAY LIGHTING

This account represents electricity supplied and services rendered for the purposes of lighting streets, highways, parks and other public places, or for traffic or other signal system service, for municipalities or other divisions or agencies of the national government.

Credit this account for:

- 0 Gross billings for electricity supplied
- 0 Adjustments due to underbillings

Debit this amount for:

- 0 Adjustments due to overbillings.
- 0 Year-end closing to Income and Expense Summary account.

311-445-00 **SALES TO PUBLIC BUILDINGS AND FACILITIES**

This account represents billing for electricity supplied to schools, churches and other public buildings or divisions or agencies of the national government, under special contracts or agreements or rate schedules applicable only to such service.

Credit this account for:

- 0 Gross billings to electricity supplied
- 0 Adjustments due to underbillings

Debit this amount for:

- 0 Adjustments due to overbillings.
- 0 Year-end closing to Income and Expense Summary account.

311-446-00 **SALES TO COMMUNAL WATER SYSTEMS**

This account represents electricity supplied to communal water systems.

Credit this account for:

- 0 Gross billings to communal water systems.
- 0 Adjustments due to underbillings

Debit this amount for:

- 0 Adjustments due to overbillings.
- 0 Year-end closing to Income and Expense Summary account.

311-447-00 **SALES FOR RESALE**

This account represents the electricity supplied to other RECs.

Credit this account for:

- 0 Gross billings to other RECs
- 0 Adjustments due to underbillings

Debit this amount for:

- 0 Adjustments due to overbillings.
- 0 Year-end closing to Income and Expense Summary account.

312-000-00 OTHER OPERATING REVENUES

This account represents the total of sub-accounts Forfeited Discounts, Rent from Electric Property, Prompt Payment Discount and Other Electric Revenues.

312-450-00 FORFEITED DISCOUNTS

This account represents the amount of discounts forfeited or additional charges imposed because of failure of customers to pay their electric bills on or before a specified date.

Credit this account for:

0 Discounts, charges, penalties imposed to consumers.

Debit this amount for:

0 Year-end closing to Income and Expense Summary account.

312-451-00 RENT FROM ELECTRIC PROPERTY

This account represents rentals received for the use by the others of land, buildings and other property devoted to electric operations, where such property does not constitute as an operating unit or system.

Credit this account for:

0 Rentals received for the use by others of REC property.

0 Any amount received for interest or return or in reimbursement of taxes or depreciation on the REC property when it is operated jointly with others under a definite arrangement for apportioning the actual expenses among the parties to the arrangement.

Debit this amount for:

0 Year-end closing to Income and Expense Summary account.

312-452-00 PROMPT PAYMENT DISCOUNT

This account represents discounts given to the REC for paying bills on time.

Credit this account for:

- 0 Discounts availed of by the REC.

Debit this amount for:

- 0 Year-end closing to Income and Expense Summary account.

312-456-00 OTHER ELECTRIC REVENUES

This account represents revenues for all miscellaneous services and charges billed to consumers which are not specifically provided for in accounts described above.

Credit this account for:

- 0 Fees for changing, connecting or disconnecting service.
- 0 Fees on maintenance of appliances, wiring, piping or other installation on consumers' premises.
- 0 Cost less net salvage and payment from consumers on closing of work orders for plant installed for temporary (less than one year) services.
- 0 Commission on sale or distribution of electricity of other power utility enterprises when sold under rates filed by such other utility enterprises.

- 0 Compensation for minor or incidental services provided for others such as consumer billing, engineering, etc.
- 0 Gain or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.
- 0 Sale of steam, but not including sales made by a steam-heating department or transfers of steam under joint facility operations
- 0 Revenues from transmissions facilities

Debit this amount for:

- 0 Year-end closing to Income and Expense Summary account.

XV. *OTHER INCOME*

321-000-00 NON-OPERATING INCOME

This account represents the total of the balances of the sub-accounts Revenue from Merchandising, Jobbing and Contract Work, Income from

Non-Utility Operations, Non-Operating Rental Income, Interest and Dividend Income and Miscellaneous Non-Operating Income.

312-412-00 ELECTRIC PLANT LEASED TO OTHERS

This account represents revenues from electric property constituting a distinct operating unit or system leased to others and which property is includible in account 111-104-00 Electric Plant Leased to Others.

Credit this account for:

0 Amount of income earned on property being leased or rented to others.

Debit this amount for:

0 Year-end closing to Income and Expense Summary account.

321-415-00 REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK

This account represents revenues derived from the sale of merchandise and jobbing or contract work, including any margin or commission accruing to the REC on jobbing work performed by it as agent under contracts for a stipulated profit or commission.

Credit this account for:

0 Revenues from sale of merchandise and jobbing and contract work.

0 Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Debit this amount for:

0 Year-end closing to Income and Expense Summary account.

321-417-00 INCOME FROM NON-UTILITY OPERATIONS

This account represents applicable to operations which are non-utility in character but nevertheless constitute a distinct operating activity of the REC as a whole. An example of this is the operation of a service section which shall provide supervision, management, engineering and similar services to others.

Credit this account for:

0 Income derived from non-utility services.

Debit this amount for:

0 Year-end closing to Income and Expense Summary account.

321-418-00 NON-OPERATING RENTAL INCOME

This account represents rental income derived from non-utility property which is not used in operations.

Credit this account for:

0 Rental income from non-operating activities

Debit this amount for:

0 Year-end closing to Income and Expense Summary account.

321-419-00 INTEREST AND DIVIDEND INCOME

This account represents interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks investment with other companies, the payment of which is reasonably assured.

Credit this account for:

0 Amount of interest income already received.

0 Amount of dividend received.

Debit this amount for:

0 Year-end closing to Income and Expense Summary account.

321-421-00 MISCELLANEOUS NON-OPERATING INCOME

This account represents other non-operating revenue items not specifically classifiable in the income accounts described above.

Credit this account for:

0 Profit on sale of timber, if any.

- 0 Profits from operations of others realized by the utility under contracts.
- 0 Gain on disposition of investments.
- 0 Gain on reacquisition, resale or retirement of utilities debt securities.

Debit this amount for:

- 0 Year-end closing to Income and Expense Summary account.

322-000-00 EXTRAORDINARY ITEMS

This account represents the total amount in the Extraordinary Income account.

322-434-00 EXTRA ORDINARY INCOME

This account represents the total of the sub-accounts Gain from Disposition of Utility Plant and Gain from Disposition of Other Property.

322-434-10 GAIN ON DISPOSITION OF UTILITY PLANT

This account represents the gain on sale, conveyance, exchange or transfer of utility property to another, as approved by NEA.

Credit this account for:

- 0 Gain from sale of utility property.

Debit this amount for:

- 0 Year-end closing to Income and Expense Summary account.

322-434-20 GAIN ON DISPOSITION OF OTHER PROPERTY

This account represents the gain on sale, conveyance, exchange or transfer of utility property to another, as approved by NEA.

Credit this account for:

- 0 Gain from disposition of non-utility property.

Debit this amount for:

- 0 Year-end closing to Income and Expense Summary account.

EXPENSE ACCOUNTS

XVI. OPERATIONS AND MAINTENANCE EXPENSE ACCOUNTS

411-000-00 POWER GENERATION

This account represents the balances in the Operation, Maintenance and Other Power Supply accounts.

411-000-10 OPERATION

411-546-10 OPERATION - SUPERVISION AND ENGINEERING

This account represents expenses incurred in the general supervision and direction and the operations of production plant. Direct supervision of specific activities, such as fuel handling, engine and generator operation, etc. shall be charged to their appropriate accounts.

Debit this amount for:

- 0 Salaries and wages of employees
- 0 Other expenses incurred in the supervision of production plant.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

411-547-10 OPERATION-FUEL

This account represents all cost of fuel such as gas, oil, kerosene and gasoline used for power generation including incidental expenses up to the point where fuel enters the first production phase.

Debit this account for:

- 0 Gas, oil, kerosene or gasoline used in other power generations.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

411-548-10 OPERATION - GENERATION EXPENSES

This account represents expenses incurred in operating prime movers, generators and electric equipment to the point where electricity leaves for conversion for transmission or distribution.

Debit this amount for:

- 0 Salaries and wages in:
 - 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 preparing reports on plant operations.
 - 4. Testing, checking, cleaning, oiling and adjusting equipment

- 0 Materials and expenses incurred for:
 - 1. Dynamo, motor, generator brushes.
 - 2. Lubricants and control system oils.
 - 3. Water for cooling engines and generators.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

411-549-10 OPERATION-RENTS

This account represents rental expenses of properties that are used, occupied, or operated in connection with power production.

Debit this account for:

- 0 Payment of rentals.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

411-550-10 OPERATION-MISCELLANEOUS EXPENSES

This represents expenses incurred in the operation of other production plant which are not specifically provided for or not readily assignable to other generation expense accounts

Debit this amount for:

- 0 Salaries and wages in:
 - 1. General clerical and stenographic work.
 - 2. Guarding and patrolling plant and yard
 - 3. Building service.
 - 4. Care of grounds, including cutting grass, etc.
 - 5. Miscellaneous labor.

- 0 Materials and expenses incurred for:
 - 1. Building service supplies.
 - 2. First-aid supplies and safety equipment
 - 3. Communication service.
 - 4. Employees' service facilities
 - 5. Office supplies, printing and stationery.
 - 6. Transportation
 - 7. Meals, traveling and incidental expenses.
 - 8. Fuel for heating
 - 9. Water for the fire protection or general use.
 - 10. Miscellaneous supplies, such as hand tools, drills, say blades, files, etc.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

411-000-20 MAINTENANCE

411-551-20 MAINTENANCE - SUPERVISION AND ENGINEERING

This account represents expenses incurred in the general supervision and direction of the operations of production plant.

Debit this amount for:

- 0 Salaries and wages of employees
- 0 Other expenses in connection with the general supervision and maintenance of power production stations.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

411-552-20 **MAINTENANCE - STRUCTURES**

This account represents expenses incurred in maintenance of structures used in power production, the book cost of which is included in the sub-accounts, Structure and Improvements, and Fuel, Holders, Producers and Accessories under the plant account classification, Production Plant.

Debit this amount for:

- 0 Salaries and wages in:
- 0 Materials and other expenses in connection with the maintenance of structures as described in the above paragraph.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

411-553-20 **MAINTENANCE - GENERATING AND ELECTRIC EQUIPMENT**

This account represents expenses incurred in maintenance of production and plant equipment, the book cost of which is included in the accounts, Prime Movers, Generators, Accessory Electric Equipment.

Debit this account for:

- 0 Salaries and wages of employees.
- 0 Materials and other expenses in connection with the maintenance of production and plant equipment as described in the above paragraph.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

411-554-20 **MAINTENANCE-MISCELLANEOUS PLANT**

This account represents expenses incurred in maintenance of the power production plant, the book cost of which is included in the a account, Miscellaneous Power Plant Equipment.

Debit this account for:

- 0 Salaries and wages of employees.
- 0 Materials and other expenses in connection with the maintenance of other power production and as described in the above paragraph

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

412-000-00 OTHER POWER SUPPLY EXPENSES

412-555-00 PURCHASED POWER

This account represents cost at point of receipt of electricity purchased for resale. Records supporting this account shall show by months, the demands, demand charges, kilowatt hours and prices thereof under each purchase contract and the charges and the credits thereof under exchange or power pooling contract.

Debit this account for:

- 0 Purchases of electricity for resale.
- 0 Net settlement for exchange of electricity or power, such as economy energy, off-peak energy for on-peak energy, spinning reserve capacity, etc.
- 0 Net settlement for transactions under pooling or interconnection agreements wherein there is a balancing of debits and credits for energy, capacity, etc.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

412-556-00 SYSTEM CONTROL AND LOAD DISPATCHING

This account represents expenses incurred in load dispatching activities for system control.

RECs having interconnected electric system and operating under a central authority which controls the production and dispatching of electricity may apportion this account into Load Dispatching- Transmission and Load Dispatching - Distribution.

Debit this account for:

- 0 Salaries and wages in:
 - 1. Allocating loads to plants and interconnections with others
 - 2. Directing and switching

3. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
 4. Controlling system voltages.
 5. Recording loadings, water conditions, etc.
 6. Preparing operating reports and data for billing and budget purposes.
 7. Obtaining reports on the weather and special events.
- 0 Expenses incurred for:
1. Communication service provided for system control purposes.
 2. System record and report forms.
 3. Meals, traveling and incidental expenses.
 4. Obtaining weather and special events reports.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

412-557-00 MISCELLANEOUS EXPENSES

This account represents any production expenses incurred which are not specifically provided for in other production expense accounts. Charges to this account shall be properly documented for easy distinction.

Debit this amount for:

- 0 Miscellaneous production expenses not specifically chargeable in the accounts described above.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-000-00 TRANSMISSION EXPENSES

413-000-10 OPERATION

This operation accounts described below are to be used when the purpose of the activity is to improve the existing quality of service or the general operating characteristics of the Transmission Plant in operation.

413-560-10 OPERATION - SUPERVISION AND ENGINEERING

This account represents expenses incurred in the general supervision and direction of the operation of the transmission system as a whole.

Direct supervision of specific activities shall be charged to the appropriate accounts.

Debit this account for:

- 0 Salaries and wages of employees.
- 0 Expenses in connection with the operation of the transmission system as described in the above paragraph.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-561-10 OPERATION - LOAD DISPATCHING

This represents expenses incurred in load dispatching operations pertaining to the transmission of electricity.

Debit this account for:

- 0 Salaries and wages in:
 - 1. Directing and 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.
- 0 Expenses for:
 - 1. Communication service provided for system control purposes
 - 2. System record and report forms.
 - 3. Meals, traveling and incidental expenses.
 - 4. Obtaining weather and special events reports.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-562-10 OPERATION - STATION EXPENSES

This account represents expenses incurred in operating transmission sub-stations, switching stations; and, cost of transmission operations in generating stations where a transmission station equipment is located or adjacent to such generating stations.

Debit this account for:

- 0 Salaries and wages in:
 - 1. 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 preparing reports on station operation.
 - 5. Operating switching and other station equipment.
 - 6. Standing watch, guarding and patrolling station and station yard.
 - 7. Sweeping, mopping and tidying station.
 - 8. Care of grounds including cutting grass, etc.

- 0 Materials and expenses incurred for:
 - 1. Building service.
 - 2. Operating supplies such as lubricants, commutator brushes, water and rubber goods.
 - 3. Station meter and instrument supplies such as ink and chart.
 - 4. Station record and report forms.
 - 5. Tools.
 - 6. Transportation.
 - 7. Meals, traveling and incidental expenses.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-563-10 OPERATION – OVERHEAD LINE EXPENSES

This account represents expenses incurred in operation of overhead transmission lines.

Debit this account for:

- 0 Salaries and wages in:
 - 1. Supervising station operation.
 - 2. Inspecting and testing lightning arresters, circuit breakers, switches and grounds.
 - 3. Load tests of circuits.

4. Routine line of patrolling.
 5. Routine voltage surveys made to determine the condition or efficiency of transmission system.
 6. Transferring loads, switching and reconnecting circuits and equipment for operating purposes.
 7. Routine inspection and cleaning of conduit, network and transformer vaults.
 8. Inspecting and adjusting line-testing equipment such as voltmeters, ammeters, wattmeters, etc.
 9. Electrolysis surveys.
 10. Regulation and addition of oil or gas in high-voltage cable systems.
- 0 Materials and expenses incurred for:
1. Transportation.
 2. Meals, traveling and incidental expenses.
 3. Tools.
 4. Operating supplies, such as instrument charts, rubber goods, etc.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-565-10 OPERATION - TRANSMISSION OF ELECTRICITY BY OTHERS

This account represents expenses cost of transmitting electricity through the transmission facilities owned by others.

Debit this account for:

- 0 Cost incurred for activities as described in the above paragraph.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-566-10 OPERATION - RENTS

This account represents rentals of property of others used, occupied, or operated in connection with the transmission system, including payments to the government and others for use of public or private lands and reservations for transmission line rights of way.

Debit this account for:

- 0 Rentals expense incurred in connection with the activities described in the above paragraph.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-567-10 OPERATION - MISCELLANEOUS EXPENSES

This account represents expenses incurred in transmission map and record work, transmission office expenses, and other transmission expenses not specifically provided for in the accounts described herein.

Debit this account for:

- 0 Salaries and wages related to:
 - 1. General records of physical characteristics of lines and stations, such as capacities, etc.
 - 2. Ground resistance records.
 - 3. Janitorial work at transmission office buildings, including care of grounds, cutting grass, etc.
 - 4. Joint pole maps and records.
 - 5. Line load and voltage records.
 - 6. Preparing maps and prints.
 - 7. General clerical and stenographic work.
 - 8. Miscellaneous labor.
- 0 Materials and expenses incurred for:
 - 1. Communication service.
 - 2. Building service supplies.
 - 3. Map and record supplies.
 - 4. Transmission office supplies and printing and stationery.
 - 5. First-aid supplies.
 - 6. Research, development and demonstrating.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-000-20 MAINTENANCE

The maintenance accounts described below are to be used when the primary purpose of the activity is preventing failure, restoring service, and/or maintaining plant life at its original quality of service.

413-568-20 **MAINTENANCE- SUPERVISION AND ENGINEERING**

This account represents expenses incurred in general supervision and direction of maintenance of transmission systems for preventing failure, restoring service or maintaining plant life at its original quality service.

Direct field supervision of specific jobs should be charged to the appropriate accounts.

Debit this account for:

- 0 Salaries and wages for:
 - 1. Special tests to determine efficiency of equipment operation.
 - 2. Preparing or reviewing budgets, estimates and drawings relating to maintenance.
 - 3. Preparing instruction for maintenance activities.
 - 4. General training and instructions of employees by supervisors.
 - 5. Secretarial work for supervisory personnel, but not general clerical work chargeable to other accounts.
 - 6. Other labor costs relating to the general supervisor and direction of the maintenance work.

- 0 Other expenses related to the activities described above.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-569-20 **MAINTENANCE - STRUCTURES**

This account represents expenses incurred in the maintenance of structures, the book cost of which is includible in the sub-account, Structures and Improvements under plant account classification, Transmission Plant.

Debit this account for:

- 0 Salaries and wages of employees.
- 0 Materials and other expenses in connection with the maintenance of structures as described in the above paragraph.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-570-20 MAINTENANCE- STATION EQUIPMENT

This account represents costs of labor, materials and expenses incurred in maintenance of station equipment, the book cost of which is includible in the sub-account, Station Equipment under the plant account classification Transmission Plant.

Debit this account for:

- 0 Direct field supervision.
- 0 Inspecting, testing and reporting on condition of plant
- 0 Work performed specifically for preventing failure, restoring service and/ or maintaining life of plant.
- 0 Repairing for reuse materials recovered from plant.
- 0 Testing for locating and clearing trouble.
- 0 Cost of installing, maintaining and removing temporary facilities to prevent interruptions in service.
- 0 Replacing or adding minor items of plant which do not constitute a retirement units.
- 0 Other expenses related to the activities described above.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

413-571-20 MAINTENANCE - OVERHEAD LINES

This account represents expenses incurred in the maintenance of overhead lines for the transmission plant.

Debit this account for:

- 0 Salaries and wages of employees.
 - 1. Installing or removing additional clamps or strain insulators or guys in place.
 - 2. Moving line or guy pole in relocation of the same pole or section of line.
 - 3. Painting poles, towers, crossarms or pole extensions.
 - 4. Readjusting and changing position of guys or brace.
 - 5. Realigning and straightening poles, crossarms, braces, and other pole fixtures.
 - 6. Reconditioning reclaimed pole fixtures.

7. Relocating crossarms, racks, brackets and other fixtures on poles.
 8. Repairing and realigning pins, racks or brackets.
 9. Repairing pole supported platform.
 10. Repairs by others to jointly owned poles.
 11. Shaving, cutting rot, treating poles or crossarms in use or salvaged for reuse.
 12. Stubbing poles already in service.
 13. Supporting fixtures and conductors and transferring them to new pole during poles replacements.
 14. Maintenance of pole signs, stencils, tags, etc.
- 0 Salaries and wages, materials used and expenses incurred on overhead conductors and devices in:
1. Overhauling and repairing line cutouts, line switches, line breakers, etc.
 2. Cleaning insulators and bushing.
 3. Refusing cutouts.
 4. Repairing line oil circuit breakers and associated relays and control wiring.
 5. Repairing grounds.
 6. Resagging, retying or rearranging position or spacing of conductors.
 7. Standing by phones, going to calls, cutting faulty lines, clear or similar activities at times of emergencies.
 8. Sampling, testing, changing, purifying and replenishing insulating oil.
 9. Repairing line testing equipment.
 10. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
 11. Trimming trees and clearing brush.
 12. Chemical treatment of right of way areas when occurring subsequent to construction of line
- 0 Salaries and wages, materials used and expenses incurred on roads and trails in:
1. Repairing roadway, bridges, etc.
 2. Trimming trees and brush to maintain previous roadway clearance.
 3. Maintenance work on publicly owned roads and trails when done by the REC at its expense.

Credit this account for:

- 0 Year-end to Income and Expense Summary account

413-573-20 **MAINTENANCE - MISCELLANEOUS PLANT**

This account represents expenses incurred in the maintenance of owned or leased plant which is properly chargeable to transmission operations but not specifically classifiable to the account described above.

Debit this account for:

- 0 Cost of labor, materials and other expenses related to the activities described in the above paragraph.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-000-00 **DISTRIBUTION EXPENSES**

414-000-10 **OPERATION**

This account represents the expenses incurred in the general supervision and direction of the operation 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.

Debit this account for:

- 0 Salaries and wages in:
 - 1. Performing special tests to determine efficiency of equipment operation.
 - 2. Preparing or reviewing budgets, estimates and drawings relating to the distribution operation.
 - 3. Preparing instructions for operations activities.
 - 4. Formulating and reviewing work of the department.
 - 5. Secretarial work for supervisory personer but not general clerical work.
- 0 Other expenses related to the activities described above.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-581-10 OPERATION - LOAD DISPATCHING

This account represents the expenses incurred in load dispatching operations pertaining to the distribution of electricity.

Debit this account for:

- 0 Salaries and wages of employees in:
 - 1. Directing and 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.
- 0 Expenses incurred for:
 - 1. Communication service provided for system control purposes
 - 2. System record and report forms.
 - 3. Meals, traveling and incidental expenses.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-582-10 OPERATION - STATION EXPENSES

This account represents the expenses incurred in the operation of distribution substations.

Debit this account for:

- 0 Salaries and wages in:
 - 1. 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, changing voltage of regulators or changing station transformer taps
 - 3. Keeping station, log and records and preparing reports on station operation.
 - 4. Inspecting, testing, and calibrating station equipment for the purpose of checking its performance.

5. Operating switching and other station equipment.
 6. Standing watch, guarding and patrolling station and station yard.
 7. Sweeping, mopping and tidying station.
 8. Care of grounds, including cutting grass, etc.
- 0 Materials and expenses incurred for:
1. Building service.
 2. Operating supplies such as lubricants, commutator brushes, water and rubber goods.
 3. Station meter and instrument supplies such as ink and charts.
 4. Station record and report forms.
 5. Tools.
 6. Transportation.
 7. Meals, traveling and incidental expenses.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-583-10 OPERATION - OVERHEAD LINE EXPENSES

This account represents the expenses incurred in the operation of distribution lines.

Debit this account for:

- 0 Salaries and wages in:
 1. Supervising line operation
 2. Changing line transformer taps.
 3. Inspecting and testing lightning arresters, line circuit breakers, switches and grounds.
 4. Inspecting and testing line transformers for the purpose of determining load, temperature or operating performance.
 5. Routine patrolling of lines.
 6. Load test and voltage surveys of feeders, circuits and line transformers.
 7. Removing line transformers, oil circuit reclosers and sectionalizers with or without replacement.
 8. Installing line transformers, oil circuit reclosers or sectionalizers with or without change in capacity provided that the cost of first installation of these items is capitalized.
 9. Voltage surveys, either routine or upon request of consumers, including voltage tests at consumer's main switch.
 10. Transferring loads, switching and reconnecting circuits and equipment.

- 11. Electrolysis surveys.
 - 12. Inspecting and adjusting line testing equipment
- 0 Materials and expenses for:
- 1. Tools.
 - 2. Transportation.
 - 3. Meals, traveling and incidental expenses.
 - 4. Operating supplies such as instrument charts, rubber goods, etc.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-585-10 OPERATION - STREET LIGHTING AND SIGNAL SYSTEM EXPENSES

This account represents expenses incurred in the operation of street lighting and signal systems plant which is owned or leased by the REC and those owned by customers where such work is done regularly as a part of the street lighting and signal system service.

Debit this account for:

- 0 Salaries and wages in:
 - 1. Supervising street lighting and signal systems operations.
 - 2. Replacing lamps and incidental cleaning of glassware and fixtures in connection therewith.
 - 3. Routine patrolling for lamps 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.
- 0 Materials and expenses for:
 - 1. Street lamp renewals.
 - 2. Transportation and tool.
 - 3. Meals, traveling and incidental expenses.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-586-10 OPERATION – METER EXPENSES

This account represents expenses incurred in the operation of consumer meters and associated equipment.

Debit this account for:

- 0 Salaries and wages in:
 - 1. Supervising meter operation.
 - 2. Clerical work on meter history and associated equipment record card, test cards and reports.
 - 3. Disconnecting and reconnecting, removing and reinstalling, sealing and unsealing meters and other metering equipment in connection with initiating or terminating services including the cost of obtaining meter readings, if incidental to such operation.
 - 4. Consolidating meter installations due to elimination of separate meters for different rates of service.
 - 5. Changing or relocating meters, instrument transformers, time switches and other metering equipment on premises or in shops excluding inspecting and testing incidental to maintenance.

- 0 Materials and expenses for:
 - 1. Meter seals and miscellaneous meter supplies.
 - 2. Transportation.
 - 3. Meals, traveling and incidental expenses.
 - 4. Tools.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-587-10 OPERATION - CONSUMER INSTALLATION EXPENSES

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

Debit this account for:

- 0 Salaries and wages in:
 - 1. Supervising consumer installations work.

2. Inspecting premises, including check of wiring for code compliance.
 3. Investigating, locating and clearing grounds on consumer's wiring.
 4. Investigating service complaints, including load tests of motors and lighting and power circuits on consumers' 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 serials on consumers' premises and patrolling of lines, testing of lighting arresters, inspection of pole hardware, etc., and examination on or off premises of consumers' appliances, wiring or equipment to locate cause of interference.
 7. Installing, connecting, reinstalling or removing leased property on consumers' premises.
 8. Testing, adjusting and repairing consumers' fixtures and appliances in shop or on premises.
 9. Cost of changing consumers' 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 consumer wiring and any other labor cost identifiable as caused by current diversion.
- 0 Materials and expenses for:
1. Lamp and fuse renewals
 2. Materials used in servicing consumers' fixtures, appliances equipment.
 3. Power, light, heat, telephone and other expenses of repair department.
 4. Tools.
 5. Transportation, including pickup and delivery charges.
 6. Meals, traveling and incidental expenses.
 7. Rewards paid for discovery of current diversion.
- 0 Amounts billed consumers for any work.
- Credit this Account for:
- 0 Year-end closing to Income and Expense Summary account.

414-588-10 OPERATION - RENTS

This account represents rent expenses on property of others used, occupied or operated in connection with the distribution system, joint use of poles and payments to the government and others for the use and occupancy of public lands and reservations for distribution line rights of way.

Debit this account for:

- 0 Rentals of property of others used in connection with the distribution system.

Credit this Account for:

- 0 Year-end closing to Income and Expense Summary account.

414-589-10 OPERATION - MISCELLANEOUS EXPENSES

This account represents other expenses incurred in distribution system operation not classifiable in the specific accounts described above.

Debit this account for:

- 0 Salaries and wages in:
 - 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.
- 0 Expenses incurred for:
 - 1. Operating records covering poles, transformers, manholes cables and other distribution facilities.
 - 2. Janitorial work at distribution office buildings including cutting grass, etc.
- 0 Materials and expenses incurred for:
 - 1. Communication service.
 - 2. Building service.
 - 3. Miscellaneous office supplies, printing and stationery, maps and records and first-aid supplies.
 - 4. Research, development and demonstration.

Credit this Account for:

- 0 Year-end closing to Income and Expense Summary account.

414-000-20 MAINTENANCE

The maintenance accounts described below are to be used when the primary purpose of the activity is preventing failure, restoring service, and/ or maintaining plant life at its original quality of service.

414-590-20 MAINTENANCE – SUPERVISION AND ENGINEERING

This account represents expenses incurred in the general supervision and direction of maintenance of the distribution system.

Debit this account for:

- 0 Salaries and wages related in:
 - 1. Special tests to determine efficiency of equipment operation.
 - 2. Preparing and reviewing budgets, estimates and drawings related to maintenance activities.
 - 3. Preparing instructions for maintenance activities.
 - 4. Formulating and reviewing routine maintenance activities.
 - 5. Secretarial work for supervisory personnel but not general clerical work chargeable to other accounts.
- 0 Other expenses related to the activities described above.
 - 1. Operating records covering poles, transformers, manholes cables and other distribution facilities.
 - 2. Janitorial work at distribution office buildings including cutting grass, etc.

Credit this Account for:

- 0 Year-end closing to Income and Expense Summary account.

414-591-20 MAINTENANCE- STRUCTURES

This account represents expenses incurred in the maintenance of structures, the book cost of which is includible in the sub-account Structures and Improvement under the plant classification Distribution Plant

Debit this account for:

- 0 Salaries and wages of employees.
- 0 Materials and other expenses in connection with the maintenance of structures as described in the above paragraph.
- 0 Direct field supervision

- 0 Inspecting, testing and reporting on condition of structures specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting the adequacy of repairs which have been made.
- 0 Work performed specifically for preventing failure, restoring service and/or maintaining the life of the structures.
- 0 Repairing for reuse, materials recovered from the plant.
- 0 Testing for locating and clearing trouble.
- 0 Replacing or adding minor items of plant which do not constitute a retirement unit.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-592-20 MAINTENANCE - STATION EQUIPMENT

This account represents expense incurred in maintenance of plant, the book cost of which is includible in the sub-accounts Stations Equipment and Storage Battery Equipment under the classification Distribution Plant.

Debit this account for:

- 0 Salaries and wages of employees.
- 0 Materials and other expenses in connection with the maintenance of structures as described in the above paragraph.
- 0 Direct field supervision.
- 0 Inspecting, testing and reporting on condition of structures specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting the adequacy of repairs which have been made.
- 0 Work performed specifically for preventing failure, restoring service and/or maintaining the life of the structures.
- 0 Repairing for reuse, materials recovered from the plant.
- 0 Testing for locating and clearing trouble.
- 0 Replacing or adding minor items of plant which do not constitute a retirement unit.

Credit this account for:

- 0 Year-end closing to income and Expense Summary account.

414-593-20 MAINTENANCE - OVERHEAD LINES

This account represents expenses incurred in the maintenance of line distribution facilities. the book cost of which is includible in the sub-accounts Poles, Towers and Fixtures, Overhead Conductors and Devises and Services under the classification Distribution plant.

Debit this account for:

- 0 Salaries and wages, materials used and expenses incurred on poles, towers and fixtures in:
 - 1. Installing additional clamps or removing clamps or strain insulators on guys in place.
 - 2.
 - 3. Moving line or guy pole in relocation of pole or section of line.
 - 4. Painting poles, towers, crossarms or pole extension.
 - 5. Readjusting and changing position of guys or braces.
 - 6. Realigning and straightening poles, crossarms, braces, pins, racks, brackets and other fixtures on poles.
 - 7. Reconditioning reclaimed pole fixtures.
 - 8. Relocating crossarms, racks, brackets and other fixtures on poles.
 - 9. Repairing pole supported platform.
 - 10. Repairs by others to jointly owned poles.
 - 11. Shaving, cutting rot or treating poles or crossarms in use or salvaged for reuse.
 - 12. Stubbing poles already in service.
 - 13. Supporting conductors, transformers and other fixtures and transferring them to new poles during pole replacements.
 - 14. Maintaining pole signs, stencils, tags. etc.

- 0 Salaries and wages, materials used and expenses incurred on overhead conductors and devises in:
 - 1. Overhauling and repairing line cutouts, line switches, line breakers and capacitor installations.
 - 2. Cleaning insulators and bushings.
 - 3. Refusing line cutouts.
 - 4. Repairing line oil circuit breakers and associated relays and control wiring.
 - 5. Repairing grounds.
 - 6. Resagging, retying or rearranging position or spacing of conductors.
 - 7. Standing by phones, going to calls, cutting faulty lines, clear or similar activities at times of emergency.

8. Sampling, testing, changing, purifying and replenishing insulating oil.
 9. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
 10. Repairing line testing equipment.
 11. Trimming trees and clearing brush.
 12. Chemical treatment of right of way area when occurring subsequent to construction of line.
- 0 Salaries and wages, materials used and expenses incurred on overhead services in :
1. Moving position of service either on pole or on consumer's premises.
 2. Pulling slack in service wire.
 3. Retyping service line.
 4. Refastening or tightening service bracket.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-593-20 **MAINTENANCE - LINE TRANSFORMERS**

This account represents expenses incurred in maintenance of distribution line transformers, the book cost of which is incredible in the sub-account Line Transformers under the classification Distribution Plant.

Debit this account for:

- 0 Direct field supervision.
- 0 Inspecting, testing and reporting on condition of line transformers specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting the adequacy of repairs which have been made.
- 0 Work performed specifically for preventing failure, restoring service and/or maintaining the life of the line transformers.
- 0 Repairing for reuse, materials recovered from the plant.
- 0 Testing for locating and clearing trouble.
- 0 Replacing or adding minor items of plant which do not constitute a retirement unit.
- 0 Materials and other expenses in connection with the maintenance of line transformers as described in the above paragraph.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-596-20 MAINTENANCE -STREET LIGHTING AND SIGNAL SYSTEMS

This account represents cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in sub-account, Street Lighting and signal Systems under the classification Distribution plant.

Debit this account for:

- 0 Direct field supervision.
- 0 Inspecting, testing and reporting on condition of street lighting and signal systems specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting the adequacy of repairs which have been made.
- 0 Work performed specifically for preventing failure, restoring service and/or maintaining the life of the street lights and signal systems.
- 0 Repairing for reuse, materials recovered from the plant.
- 0 Testing for locating and clearing trouble.
- 0 Replacing or adding minor items of plant which do not constitute a retirement unit.
- 0 Materials and other expenses in connection with the maintenance of street lights and signal systems as described in the above paragraph.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

414-597-20 MAINTENANCE - METERS

This account represents expenses incurred in the maintenance of meters and meter testing equipment, the book cost of which is includible in the sub-accounts Meters under the classification Distribution Plant.

Debit this account for:

- 0 Direct field supervision
- 0 Inspecting,testing and reporting on condition of meters specifically to determine the need for repairs,replacements,rearrangements and changes and inspecting the adequacy of repairs which have been made.
- 0 Work performed specifically for preventing failure, restoring service and/or maintaining the life of the meters.

- 0 Repairing for reuse, materials recovered from the plant.
- 0 Testing for locating and clearing trouble.
- 0 Replacing or adding minor items of plant which do not constitute a retirement unit.
- 0 Materials and other expenses in connection with the maintenance of meters as described in the above paragraph.

Credit this account for:

- 0 Year-end closing to income and Expense Summary account.

414-598-20 **MAINTENANCE - MISCELLANEOUS PLANT**

This account represents expenses incurred in the maintenance of miscellaneous plant, the book cost of which is includible in the accounts Installations in Customer's Premises and Leased Property on Customer's Premises.

Debit this account for:

- 0 Expenses of similar nature to that listed in other distribution accounts.
- 0 Expenses in maintenance of office furniture and equipment used by distribution system department.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

XVII. CONSUMER ACCOUNTS EXPENSES

420-901-00 **SUPERVISION**

This account represents expenses incurred in the general direction and supervision of consumer accounting and collection activities.

Direct supervision of a specific activity shall be charged to the appropriate expense account.

Debit this account for:

- 0 Salaries and wages of employees directly involved in the direction and supervision of the consumer accounting activities.
- 0 Other expenses related to the activities described above.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

420-902-00 METER READING EXPENSES

This account represents expenses incurred in reading consumer meters and determining consumption when performed by employees engaged in reading meters.

Debit this account for:

- 0 Salaries and wages in:
 - 1. Preparing forms for obtaining meter readings.
 - 2. Inspecting time clocks, checking seals, etc. when performed by Meter Readers and the work represents a minor activity incidental to regular meter reading routine.
 - 3. Reading meters, including demand meters, and obtaining load information for billing purposes.
 - 4. Computing consumption from Meter Reader's book or from reports done by employees engaged in reading meters.
 - 5. Reviewing meter reading reports used for billing purposes.
 - 6. Collecting from prepayments meters when incidental to meter reading.
 - 7. Computing and Reviewing estimated or average consumption performed by employees engaged in reading meters.

- 0 Materials and expenses incurred for:
 - 1. Badges, lamps and uniforms.
 - 2. Demand charts, meter reading records and binders and forms for recording readings.
 - 3. Transportation, meals and incidental expenses.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

420-903-00 CONSUMER RECORDS AND COLLECTION EXPENSES

This account represents expenses incurred in the course of working on consumers applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

Debit this account for:

- 0 Salaries and Wages in:
 - 1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the consumer, 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 consumers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.
 - 3. Receiving, refunding or applying consumer deposits; and maintaining consumer deposit, line extension and other miscellaneous records.
 - 4. Checking consumption shown in Meter Readers' reports where incidental to preparation of billing data.
 - 5. Preparing address plates and addressing bills and delinquent notices.
 - 6. Preparing billing data.
 - 7. Operating billing and bookkeeping machines.
 - 8. Verifying billing records with contracts or rate schedules.
 - 9. Preparing delivery and delivering bills.
 - 10. Collecting payments from consumers including collection from prepayment meters unless incidental to meter reading operations.
 - 11. Balancing collections, preparing collections for deposit and cash reports.
 - 12. Preparing, mailing or delivering delinquent notices and preparing reports of delinquent accounts.
 - 13. Posting collections and other credits or charges to consumer accounts.
 - 14. Balancing consumer accounts and controls.
 - 15. Final meter reading of delinquent accounts when done by Collectors incidental to regular activities.
 - 16. Disconnecting and reconnecting service due to non-payment of bills.
 - 17. Receiving, recording and handling of inquiries, complaints and request for investigations from consumers, 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.
 - 18. Statistical and tabulating work on consumer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular consumer accounting routines.

19. Preparing meter reading sheets.
 20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.
- 0 Materials and expenses incurred for:
1. Address plates and supplies.
 2. Cash overages and shortages.
 3. Commissions or fees to others for collecting.
 4. Payments to credit organizations for investigations and reports.
 5. Postage.
 6. Transportation, including transportation of consumer bills and meter books under centralized billing procedure.
 7. Transportation, meals and incidental expenses .
 8. Bank charges, exchange and other fees for cashing and depositing consumers' checks.
 9. Forms for recording orders for services, removals, etc.
 10. Rent of mechanical equipment.

Credit this account for:

- 0 Year-end closing to income and Expense Summary account.

420-904-00 UNCOLLECTIBLE ACCOUNTS

This account represents provision for losses arising from uncollectibility of receivables.

Debit this account for:

- 0 Amount estimated or set-up as provisions for uncollectible accounts.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

420-905-00 INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES

This account represents expenses incurred in activities which primarily convey information as to what the utility urges or suggests consumers should do in utilizing electric service.

Debit this account for:

- 0 Salaries and wages in:
 - 1. Direct supervision of informational activities.
 - 2. Preparing informational materials for newspapers, periodicals, etc. including those for radio and TV programs.
 - 3. Preparing informational booklets, bulletins, etc. for direct ,mailing
 - 4. Preparing informational windows and other display.
 - 5. Employing agencies, selecting media and conducting negotiations in connection with the placement of information programs.

- 0 Materials and expenses for:
 - 1. Use of newspapers, periodicals, bulletin boards, radio, etc. for informational purposes.
 - 2. Postage or direct mailing to customers, exclusive of posters related to billings.
 - 3. Printing of informational booklets, dodgers, bulletins, etc.
 - 4. Supplies and expenses in preparing informational materials by utility.
 - 5. Office supplies.

420-906-00 MISCELLANEOUS CONSUMER SERVICES EXPENSES

This account represents the expenses incurred in connection with consumer service and informational activities which are not includible in other consumer information expense accounts described herein.

Debit this account for:

- 0 Salaries and wages in:
 - 1. General clerical and stenographic work not assigned to specific customer service and information programs.
 - 2. Miscellaneous labor.

- 0 Materials and expenses for:
 - 1. Communications service.
 - 2. Printing, postage and office supplies.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

420-907-00 CONSUMER PROMPT PAYMENT DISCOUNT

This account represents discount given to consumers for paying bills on time.

Debit this account for:

0 Discounts availed by the consumers.

Credit this account for:

0 Year-end closing to Income and Expense Summary account.

XVIII. *ADMINISTRATIVE AND GENERAL EXPENSES*

430-920-00 ADMINISTRATIVE AND GENERAL SALARIES

This account represents the compensation of officers, executives and other employees of the utility properly chargeable to utility operations and not directly to any particular operating function.

Debit this account for:

0 Amount of salaries and wages due.

Credit this account for:

0 Year-end closing to Income and Expense Summary account.

430-921-00 OFFICE SUPPLIES AND EXPENSES

This account represents expenses incurred for office supplies and expenses incurred in connection with the general administration of utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts described herein.

Debit this account for:

0 Automobile service.

0 Bank messenger and service charges.

0 Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.

- 0 Building service expenses for consumer accounts, sales and administrative and general purposes.
- 0 Communication service expenses.
- 0 Cost of individual items of office equipment used by general departments which are of small value or short life.
- 0 Office supplies.
- 0 Payment of court costs, witness fees and other expenses of legal depart
- 0 Postage, printing and stationery.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

430-923-00 OUTSIDE SERVICES EMPLOYED

This account represents 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 also represents 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.

Debit this account for:

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

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

430-924-00 PROPERTY INSURANCE

This account represents cost of insurance, labor and related supplies and expenses incurred for the protection against losses and damages to owned or leased property used in the operations.

Debit this account for:

- 0 Premiums payable to insurance companies for fire, storm, burglary, explosions, lightning, fidelity, riot and similar insurance.

- 0 Special costs incurred in procuring insurance.
- 0 Insurance counsel, brokerage fees and expenses.
- 0 Insurance inspection service.

Credit this account for:

- 0 Recoveries from insurance companies or others for property damages.
- 0 Year-end closing to Income and Expense Summary account.

430-925-00 INJURIES AND DAMAGES

This account represents cost of insurance or reserve accruals 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; and, expenses incurred in injuries and damages activities.

Debit this account for:

- 0 Insurance premiums incurred for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability etc.
- 0 Losses not covered by insurance on account of injuries or deaths to employees or others and damages to the property of others.
- 0 Fees and expenses of claim investigators.
- 0 Payment of awards to claimants for court costs and attorney's services.
- 0 Medical and Hospital service and expenses for employees as a result of occupational injuries or resulting from claims of others.
- 0 Compensations payments under workmen's compensation laws.
- 0 Compensation paid while incapacitated as a result of occupational injuries.
- 0 Cost of safety, accident prevention and similar educational activities.

Credit this account for:

- 0 Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds.
- 0 Year-end closing to Income and Expense Summary account.

430-926-00 EMPLOYEE PENSION AND BENEFITS

This represents pensions paid to or on behalf of retired employees, or accruals to provide for pension, payments for employee accident, sickness, hospital and death benefits or insurance therefore.

Debit this account for:

- 0 Payment of pensions under a non-accrual or non-funded basis.
- 0 Accruals for or payments to pension funds or to insurance companies for pension purposes.
- 0 Group and life insurance premiums.
- 0 Payments for medical and hospital services and expenses of employees when not a result of occupational injuries.
- 0 Payments of accident, sickness, hospital and death benefits or insurance.
- 0 Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not a result of occupational injuries or in excess of statutory awards.
- 0 Membership fees and dues in trade, technical and professional associations paid by a utility for employees.
- 0 Expenses in connection with educational and recreational activities for the benefit of employees.

Credit this account for:

- 0 Year-end closing to income and Expense Summary account.

430-927-00 FRANCHISE REQUIREMENTS AND REGULATORY COMMISSION EXPENSES

This account represents expenses in connection with franchise, ordinance or similar requirements provided that charges to this account are based at regular tariff rates. This account also include expenses incurred in connection with formal cases before regulatory commissions or other regulatory bodies or cases in which such body is a party, including payments made to a regulatory commission for fees assessed against the REC for pay and expenses of such commission, its officers, agents and employees.

Debit this account for:

- 0 Expenses for materials, supplies and services furnished government authorities without reimbursement in compliance with franchise or ordinance.

- 0 Fees 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 evaluation of property owned or used in connection with such cases.
- 0 Office supplies and expenses, payments to public service or other regulatory commissions, stationery and printing, travelling expenses and other expenses incurred directly in connection with formal cases before regulatory commissions.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

430-931-00 RENTS

This accounts represents expenses for the property of others used, occupied or operated in connection with the consumer accounts, consumer service and informational sales and general and administrative functions of the utility.

Debit this account for:

- 0 Rent expenses incurred.

Credit this account for:

- 0 Year-end closing to Income and expense Summary account.

430-932-00 MAINTENANCE OF OFFICE AND GENERAL PLANT

This account represents expenses allocable or assignable to customer accounts, sales and administrative and general functions incurred in the maintenance of property being used in the utility operation.

Debit this account for:

- 0 Expenses on labor, materials and other costs incurred.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

430-933-00 TAXES ON PROPERTY

This account represents amount of tax due on property owned or leased by the REC.

Debit this account for:

0 Taxes incurred and accrued or paid.

Credit this account for:

0 Year-end closing to Income and Expense Summary account.

430-934-00 OFFICERS ALLOWANCES AND BENEFITS

This account represents allowances and benefits given to the members of the Board of Directors, general manager, management assists and other officers of the REC. It also includes representation expenses incurred by said officers.

Debit this account for:

0 Board meeting per diems
0 Uniform allowances
0 Representation expenses
0 other allowances, fees and expenses

Credit this account for:

0 Year-end closing to Income and Expense Summary account.

430-935-00 TRAVEL

This account represents expenses incurred by REC officers and employees while on official travel.

Debit this account for:

0 Meals and transportation
0 Hotel accommodations
0 Other incidental expenses

Credit this account for:

0 Year-end closing to Income and Expense Summary account.

430-936-00 TRAINING

This account represents all expenses incurred in connection with training, seminars and other continuing education program for the officers and employees to enhance their knowledge and improve performance in the conduct of their duties and responsibilities.

Debit this account for:

- 0 Registration/seminar fees
- 0 Meals and transportation
- 0 Seminar/training materials
- 0 Other related expenses.

Credit this account for:

- 0 Year-end closing to income and Expense Summary account.

430-938-00 MISCELLANEOUS GENERAL EXPENSES

This account represents expenses incurred in connection with the general management of the utility not provided for in the accounts described elsewhere.

Debit this account for:

- 0 Salaries and wages for miscellaneous labor.
- 0 Expenses incurred for:
 - 1. Contributions for conventions and meetings.
 - 2. Experimental and general research work.

3. Communication service not chargeable to other accounts.
4. Trustees, registrar and transfer agent fees and expenses.
5. Members or stockholders meeting expenses.
6. Publishing and distributing annual reports to members.
7. Institutional or goodwill advertising.
8. Public notices of financial, operating and other data required by regulatory statutes, not including however, notices required in connection with acquisitions of property.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

XIX. DEPRECIATION EXPENSES

440-403-10 DEPRECIATION EXPENSES - ELECTRIC PLANT IN SERVICE

This account represents the total balance of the sub-accounts:
Depreciation Expense - Production Plant, depreciation Expense -
Transmission Plant, Depreciation Expense - Distribution Plant and
Depreciation Expense - General Plant.

440-403-11 DEPRECIATION EXPENSES - PRODUCTION PLANT

440-403-12 DEPRECIATION EXPENSES - TRANSMISSION PLANT

440-403-13 DEPRECIATION EXPENSES - DISTRIBUTION PLANT

440-403-14 DEPRECIATION EXPENSES - GENERAL PLANT

These accounts represent depreciation charges for properties used for power
production, transmission, distribution and general purposes.

Debit this account for:

- 0 Monthly depreciation charges.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

- 440-403-20 **DEPN EXPENSES - ELECTRIC PLANT PURCHASED OR SOLD**
- 440-403-30 **DEPN EXPENSES - ELECTRIC PLANT LEASED TO OTHERS**
- 440-403-40 **DEPN EXPENSES - ELECTRIC PLANT HELD FOR FUTURE USE**
- 440-403-50 **DEPRECIATION AND AMORTIZATION - OTHER UTILITY PLANT**
- 440-403-60 **AMORTIZATION - APPRAISAL INCREASE**
- 440-403-70 **DEPRECIATION AND AMORTIZATION - NON-UTILITY PLANT**
- 440-406-00 **AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS**

These accounts represent the provision for depreciation of properties classified under each specific plant account.

Debit this account for:

- 0 Monthly depreciation charges.

Credit this account for:

- 0 Year-end closing to income and Expense Summary account.

440-407-00 AMORTIZATION OF PROPERTY LOSSES

This account represents amortization charges of the account 170-182-00, Extraordinary Property Losses.

Debit this account for:

- 0 Monthly amortization charges

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

XX. INTEREST CHARGES

450-427-00 INTEREST ON SHORT-TERM AND LONG TERM DEBTS

This account represents the total balances of the sub-accounts Interest-Construction Loan, interest - Housewiring Loan, interest - Rehabilitation Loan, Interest- Expansion Loan, Interest - Logistical Loan, Interest - Long-term debt - Others, Interest - Short Term Loan, Interest - Other Long Term Loans and Other Interest Charges.

- 450-427-10 INTEREST - CONSTRUCTION LOAN
- 450-427-20 INTEREST - HOUSEWIRING LOAN
- 450-427-40 INTEREST - REHABILITATION LOAN
- 450-427-50 INTEREST - EXPANSION LOAN
- 450-427-60 INTEREST - LOGISTICAL LOAN
- 450-427-70 INTEREST - LTD - OTHERS
- 450-427-70 INTEREST - SHORT TERM DEBTS

These accounts represent interest accrued or paid on specific loan accounts as the account title reflects.

Debit this account for:

- 0 Monthly interest charges incurred.

Credit this account for:

- 0 Year-end closing to income and Expense Summary account.

450-431-00 OTHER INTEREST CHARGES

This account represents interest incurred on other forms of indebtedness not properly classifiable in the specific accounts described above.

Debit this account for:

- 0 Interest charges incurred.

Credit this account for:

- 0 Year-end closing to income and Expense Summary account.

XXI. *OTHER EXPENSES*

461-000-00 NON-OPERATING EXPENSES

This account represents the total balances of the accounts, Cost and Expenses for merchandising, Jobbing and Contract Work, Expenses - Non-utility Operations, Non-operating Taxes, Expenditures for Civic, Social and Other Related Activities, and Miscellaneous Expenses.

461-413-00 **EXPENSES ON ELECTRIC PLANT LEASED TO OTHERS**

This account represents expenses incurred related to the electric plant properties leased to others.

Debit this account for:

- 0 Operation and maintenance expenses
- 0 Taxes
- 0 Other related expenses

Credit this account for:

- 0 Year-end closing to income and Expense Summary account.

461-416-00 **COSTS AND EXPENSES OF MERCHANDISING, JOBBING AND CONTRACT WORK**

This account represents all expenses related to sale of merchandise, jobbing and and contract work performed by the REC for others for a stipulated contract price or commission.

Debit this account for:

- 0 Salaries and wages in:
 - 1. Demonstrating and selling activities in sales rooms.
 - 2. Installing, wiring, piping or other property work on a jobbing or contract basis.
 - 3. Receiving and handling consumer orders for merchandise or for jobbing services.
 - 4. Bookkeeping and other clerical work in connection with merchandising and jobbing activities.
 - 5. Supervising merchandise and jobbing operations.
- 0 Materials and expenses incurred for:
 - 1. Advertising in newspapers, periodicals, radio, television, etc.
 - 2. Cost of merchandise sold and of materials used in jobbing work.
 - 3. Stores expenses on merchandise and jobbing stocks.
 - 4. Fees and expenses of advertising and commercial artists' agencies.
 - 5. Printing booklets, dodgers and other advertising data.
 - 6. Light, heat and power.

7. Depreciation on equipment used primarily for merchandise and jobbing operations.
8. Transportation.
9. Stationery and office supplies.
10. Taxes directly assignable to merchandise and jobbing operations.
11. Losses from uncollectible merchandise and jobbing accounts.

461-417-00 EXPENSES - NON-UTILITY OPERATIONS

This account represents all expenses incurred in the pursuit of revenues from non-utility operations. A subsidiary record shall be maintained to permit ready summarization, to be broken down into operation, maintenance, rent, depreciation, amortization and taxes.

Debit this account for:

- 0 Expenses incurred on non-utility operation.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

461-422-00 NON-OPERATING TAXES

This account represents taxes due on non-operating properties of the utility.

Debit this account for:

- 0 Amount of tax due.

Credit this account for:

- 0 Year-end closing to Income and Expense Summary account.

461-425-00 CIVIC, SOCIAL AND OTHER RELATED ACTIVITIES EXPENSES

This account represents expenses incurred due to the REC's participation in civic, social and other related activities.

Debit this account for:

- 0 Expenses incurred.

Credit this account for:

0 Year-end closing to Income and Expense Summary accounts.

461-427-00 MISCELLANEOUS INCOME DEDUCTIONS

This account represents all other expenses incurred in the conduct of non-utility operations not specifically described in the accounts described above.

Debit this account for:

0 Various other expenses incurred not specifically classifiable in the above accounts.

Credit this account for:

0 Year-end closing to Income and Expense Summary account.

426-000-00 EXTRAORDINARY EXPENSES

This account represents the balance of the sub-accounts Extraordinary Deductions, Income Taxes - Extraordinary Items, and Loss on Disposition of Property.

462-435-00 EXTRAORDINARY DEDUCTIONS

This account represents non-typical, non-customary, infrequently recurring losses which would significantly distort the current year's income computed before Extraordinary Items, if recorded other than as Extra-ordinary Items.

Debit this account for:

0 Extraordinary expenses or losses incurred due reasons described in the above paragraph.

Credit this account for:

0 Year-end closing to Income and Expense Summary account.

462-409-00 INCOME TAXES - EXTRAORDINARY ITEMS

This account represents the amount of local and national government income taxes which relate to Extraordinary Items.

ELECTRIC PLANT ACCOUNTS

I. INTANGIBLE PLANT

111-301-10 ORGANIZATION COST

This account represents all fees paid to local or national government, and other incidental expenditures incurred to incorporated and put a REC ready to do business for the first time.

These fees include:

- 0 Cost of obtaining certificates authorizing an enterprise to engage in the public utility business.
- 0 Fees and expenses for incorporation.
- 0 Fees and expenses for mergers or consolidations.
- 0 Office expenses incident to organizing the utility business.
- 0 Stocks, minute books and corporate seal.

111-302-10 FRANCHISE AND CONSENTS

This account represents the total cost incurred in securing a franchise, consent, power license or certificates of permission from the government or any political subdivision thereof.

If a franchise or consent is acquired by assignment, the charge to this account shall not exceed the amount paid therefore by the REC to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee.

111-303-10 MISCELLANEOUS INTANGIBLE PLANT

This account- represents the cost of patent rights, licenses, privileges and other intangible property necessary or valuable in the conduct of utility operations, acquire from non-governmental entities, and not specifically chargeable to any other account described herein.

Subsidiary ledgers must be maintained for this account.

II. PRODUCTION PLANT

111-340-20 LAND AND LAND RIGHTS

This account represents the cost of land and land rights used in connection with power production.

111-341-20 STRUCTURES AND IMPROVEMENTS

This account represents the installed cost 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 and of gas producers and accessories for use in prime movers

This account includes the following 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

111-343-20 PRIME MOVERS

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

This account shall include the following 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. Foundations and setting specifically constructed for and not expected to outlast the apparatus for which provided
7. Governors
8. Ignition system
9. Inlet valve
10. Lightning systems
11. Lubricating systems, including filters, tanks, pumps and piping
12. Mechanical meters, including gauges, recording instruments, sampling, and testing equipment
13. Mufflers
14. Piping
15. Starting systems, compressed air, or other including compressors and drives, tanks, piping motors, boards and connections, storage, tanks, etc.
16. Steelwork, specially constructed for apparatus listed herein
17. Waste heat boilers, anti-fluctuators, etc.

111-344-20 GENERATORS

This account represents the installed cost of diesel or other power-driven main generators.

This account shall include the following items:

1. Cranes, hoists, etc. including items wholly identified with such apparatus
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-excited units and excitation system when identified with the generating unit.
6. Lightning systems
7. Lubricating system, including tanks, filter, strainers, pumps, piping, coolers, etc.
8. Mechanical meters and recording instruments
9. Platforms, railings, steps, gratings, etc. appurtenant to apparatus listed herein.

Note: When prime movers and generators are so integrated that classifying them separately would be impractical, the entire unit may be included in the account Generators.

111-345-20 ACCESSORY ELECTRIC EQUIPMENT

This account represents the installed cost of auxiliary generating apparatus, conversion equipment used primarily in connection with the control and switching of the electric energy produced in other power generating stations, and the protection of its electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Excluded in this account are transformers and any other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

This account shall include the following 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 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 housing, protective screens, etc.
3. Generator main connection, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, material transformers, protective relays, isolated panels and equipments, conductors and conduits, 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, instruments transformers for supervisory metering conductors and 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 transformer, potential transformer, 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-extinguisher system, and test equipment.

111-346-20 MISCELLANEOUS PRODUCTION PLANT EQUIPMENT

This account represents the installed cost of miscellaneous equipment in and about the other power production plant, devoted to general station use, and not properly includible in any of the foregoing power production accounts.

This account shall include the following items:

1. Compressed air and vacuum cleaning system, including tanks, compressors, exhausters, air-fillers, 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, callphones, emergency whistles and sirens, fire alarms and similar equipment
6. Miscellaneous belts, pulleys, countershafts, etc.
7. Refrigerating system including compressors, pumps, cooling coils, etc.
8. Station maintenance equipment, including lathes, shapers, planners, drills presses, hydraulic presses, grinders, etc. with motors, shafting, hangers, pulleys, etc.
9. Ventilating equipment, including items, wholly identified with apparatus listed herein.

III. *TRANSMISSION PLANT*

111-350-30 LAND AND LAND RIGHTS

This account represents the cost of land and land rights used in connection with transmission operations.

111-352-30 STRUCTURES AND IMPROVEMENTS

This account represents the cost in place of structures and improvements used in connection with transmission operations.

111-353-30 STATION EQUIPMENT

This account represents the installed cost 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.

This account shall include the following 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 transformers, 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. Foundations and settings, specifically constructed for and not expected to outlast the apparatus for which provided
8. General station equipment, including ventilating equipment, etc. air compressors, motor hoists, cranes, test equipment, etc.
9. Platforms, railings, steps, gratings. etc., appurtenant to apparatus listed herein
10. 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
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanism, truck switches, and disconnect switches
13. Tools and equipment

111-354-30 TOWERS AND FIXTURES

This account represents the installed cost of towers and appurtenant

fixtures used for supporting overhead transmission conductors. This account shall include the following items:

1. Anchors, guys and 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. Ladder and steps
9. Railings, etc.
10. Towers

111-355-30 POLES AND FIXTURES

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

This account shall include the following 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 arm
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. Setting
14. Shaving and painting

111-356-30 OVERHEAD CONDUCTORS AND DEVICES

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

This account shall include the following items:

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

111-357-30 UNDERGROUND CONDUIT

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

This account shall include the following items:

1. Conduit, concrete, brick or tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated materials
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided
4. Lighting system
5. Manholes, concrete or bricks, including iron or steel, frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes
6. Municipal inspection
7. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks
8. Permits
9. Protection of street openings
10. Removal and relocation of sub-surface obstructions
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps
13. Ventilating equipment

111-358-30 UNDERGROUND CONDUCTORS AND DEVICES

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

This account shall include the following 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. Fire-proofing, in connection with any items listed herein
6. Hollow -core, oil filled cable, including straight or stop joints pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, ventilating equipment, etc.
7. Lead and fabric covered conductors, including insulators, compound filled, oil filled, or vacuum splices, potheads, etc.
8. Lightning arresters
9. Municipal inspection
10. Permits
11. Protection of street openings
12. Packing of cables
13. Switches
14. Other line devices

111-359-30 ROADS AND TRAILS

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

This account shall include the following items:

1. Bridges, including foundation piers, girders, brusses, flooring, etc.
2. Clearing land
3. Roads, including grading, surfacing, culverts, etc.
4. Structures, constructed and maintained in connection with items included herein.
5. Trails, including grading, surfacing, culverts, etc.

IV. *DISTRIBUTION PLANT*

111-360-40 LAND AND LAND RIGHTS

This account represents the cost of land and land rights in connection with distribution operations.

111-361-40 STRUCTURES AND IMPROVEMENTS

This account represents the cost in place of structures and improvements used in connection with distribution operations

111-362-40 STATION EQUIPMENT

This account represents the installed cost of equipment in stations, including transformer banks, etc, which are used for the purpose of changing the characteristics of electricity in connection with its distribution.

This account shall include the following items:

1. Bus compartments, concrete , brick and sectional steel, including items permanently attached thereto
2. Conduit including concrete and iron ducts run not part of building
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections
4. Conversion equipment, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motor cooling equipment, and associated connections
5. Fences
6. Fixed and synchronous condensers ,including transformers, switching equipment, blowers, motors, and connections
7. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided
8. General station equipment, including air-compressors, motors, hoists, cranes, test, equipment, ventilating equipment, etc.
9. Platform, railings, steps, gratings, etc., appurtenant to apparatus listed herein
10. 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 to the associated regulators, reactors, resistors, surge arresters, and accessory equipment
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including oil 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.

111-364-40 POLES TOWERS AND FIXTURES

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

This account shall include the following items:

1. Anchors, head arm, and other guys, including guy guards, guy clamps, stain 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

111-365-40 OVERHEAD CONDUCTORS AND DEVICES

This account represents the installed cost of overhead conductors and devices used solely for distribution purposes.

This account shall include the following items:

1. Circuit breakers
2. Conductors including insulated and bare wires and cables
3. Ground wires, clamps, etc.
4. Insulators, including pin, suspension, and other types, and tie wire or clamps
5. Lightning arresters
6. Railroad and highway crossing guards.

7. Splices
8. Switches
9. Tree trimming, initial cost including the cost of permits therefor.
10. Other line devices

111-366-40 UNDERGROUND CONDUIT

This account represents the cost installed of underground conduit and tunnels used for housing distribution cables or wires.

This account shall include the following items:

1. Conduit, concrete, brick and tile, including iron pipe, fiber pipe, Murray duct, and stanpipe on pole or tower
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which constructed
4. Lightning systems
5. Manholes, concrete or brick, including iron or steel frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc. permanently attached to manholes
6. municipal inspection
7. Pavement disturbed, including cutting and re[placing pavemebt, pavement base, and sidewalks
8. permits
9. protection of street openinmgs
10. Removal and relocation of sub-surface obstructions
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps
13. Ventilating equipment

Note: The cost of underground conduit used solely for street lighting or signal system shall not be included in this account

111-367-40 UNDERGROUND CONDUCTORS AND DEVICES

This account represents the installed cost of underground conductors and devices used solely for distribution purposes.

This account shall include the following items:

1. Armored conductors buried, including insulators, insulating materials, splices, potheads, trenching, etc.

2. Armored conductors, submarine, including insulators, insulating Materials, splices in terminal chamber, potheads, etc.
3. Cables in standpipe, including pothead and connection from Terminal chamber or manhole to insulators on pole
4. Circuit breakers.
5. Fire-proofing, in connection with any items listed herein.
6. Hollow-core oil-filled cable, including straight or stop joints. Pressure tanks, auxiliary air tanks, feeding tanks, terminals, Potheads and connections, etc.
7. Lead and fabric covered conductors, including insulators, compound-Filled, oil-filled or vacuum splices, potheads, etc.
8. Lightning arresters
9. Municipal inspection
10. Permits
11. Protection of street openings
12. Racking of cables
13. Switches
14. Other line devices

111-368-40 LINE TRANSFORMERS

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

The records covering line transformers shall be so kept that the borrower can furnish the number of transformers of various capacities in service and those in reserve, and the location and the use of each transformer.

This account shall include the following items:

1. Installation, labor of (first installation only)
2. Transformer cut-out boxes
3. Transformer lightning arresters
4. Transformer, line and network
5. Capacitors
6. Network protectors

Note: The cost of removing and resetting line transformers and cost of line transformers used solely for street lighting or signal system shall not be included in this account.

111-369-40 **SERVICES**

This account represents the installed cost of overhead and underground conductors leading from a point where wires leave the last pole of the overhead system or the distribution box or manhole, or the top of the pole of the distribution line, to the point of connection with the consumer's outlet or wiring. Conduit used for underground service conductors shall be included herein.

This account shall include the following items:

1. Brackets
2. Cables and wires
3. Conduit
4. Insulators
5. Municipal inspection
6. Overhead to underground, including conduit or standpipe and conductor from last splice on pole to connection with customer's wiring.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits
9. Protection of street openings
10. Service switch
11. Suspension wire

111-370-40 **METERS**

This account represents the installed cost of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to customers, whether actually in service or held in reserve. Cost of removing or resetting meters are excluded

The records covering meters shall be so kept that the utility can furnish information as to the number of meters of various capacities in service and in reserve as well as the location of each meter owned.

This account shall include the following items:

1. Alternating current, watt-hour meters
2. Current limiting devices
3. Demand indicators
4. Demand meters
5. Direct current watt-hour meter

6. Graphic demand meters
7. Installation, labor of (first installation only)
8. Instrument transformers
9. Maximum demand meters
10. Meter badges and their attachments
11. Meter boards and boxes
12. Meter fittings, connections, and shelves (first set)
13. Meter switches and cut-outs
14. Prepayment meters
15. Protective devices
16. Testing new meters

111-372-40 LEASED PROPERTY ON CONSUMERS' PREMISES

This account represents the cost of electric motors, transformers, and other equipment on consumers' premises, leased or loaned to consumers, but not including property held for sale. The cost of setting and connection of these equipment shall be charged to account 414-587-00, Consumer Installation Expenses.

This account shall include the following items:

1. Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
2. Automatic control equipment
3. Conductors, overhead or underground, including lead or fabric covered, parkway cables, etc., including splices, insulators, etc.
4. Lamps. Arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
5. Municipal inspection
6. Ornamental lamp posts
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits
9. Posts and standards
10. Protection of street openings
11. Relays or time clocks
12. Series contractors
13. Switches
14. Transformers, pole or underground

V. GENERAL PLANT

111-389-50 LAND AND LAND RIGHTS

This account represents the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts.

111-390-50 STRUCTURES AND IMPROVEMENTS

This account represents 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.

111-391-50 OFFICE FURNITURE AND EQUIPMENT

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

This account shall include the following 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

111-392-50 TRANSPORTATION EQUIPMENT

This account represents the cost of transportation vehicles used for utility purposes.

This account shall include the following items:

1. Airplanes
2. Automobiles

3. Bicycles
4. Electrical vehicles
5. Motor trucks
6. Motorcycles
7. Repair cars or trucks
8. Tractors and trailers
9. Other transportation vehicles

111-393-50 STORES EQUIPMENT

This account represents the cost of equipment used for the receiving, shipping, handling, and storage of materials and supplies.

This account shall include the following items:

1. Chain falls
2. Counters
3. Cranes (portable)
4. Elevating and stacking equipment (portable)
5. Hoists
6. Lockers
7. Scales
8. Shelving
9. Storage bins
10. Trucks, hand and power driven
11. Wheelbarrows

111-394-50 TOOLS, SHOP AND GARAGE EQUIPMENT

This account represents the cost of tools, implements, and equipment used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.

This account shall include the following items:

1. Air compressors
2. Anvils
3. Automobile repair shop equipment
4. Battery charging equipment
5. Belts, shafts and countershafts
6. Boilers
7. Cable pulling equipment
8. Concrete mixers
9. Drill presses

10. Derricks
11. Electric equipment
12. Engines
13. Forges
14. Furnaces
15. Foundations and settings specially constructed for and not expected to outlast the equipment for which provided
16. Gas producers
17. Gasoline pumps, oil pumps and storage tanks
18. Greasing tools and equipment
19. Hoists
20. Ladders
21. Lathes
22. Machine tools
23. Motor-driven tools
24. Motors
25. Pipe threading and cutting tools
26. Pneumatic tools
27. Pumps
28. Riveters
29. Smithing equipment
30. Tool racks
31. Vises
32. Welding apparatus
33. Work benches

111-395-50 LABORATORY EQUIPMENT

This account represents the cost installed of laboratory equipment used for general laboratory purposes and not specifically provided for or includible
In other departmental or functional plant accounts.

This account shall include the following items:

1. Ammeters
2. Current batteries
3. Frequency changers
4. Galvanometers
5. Inductometers
6. Laboratory standard millivolt meters
7. Laboratory standard volt meters
8. Meter-testing equipment
9. Millivolt meters
10. Motor generator sets

11. Panels
12. Phantom loads
13. Portable graphic ammeters, voltmeters, and wattmeters
14. Portable loading devices
15. Potential batteries
16. Potentiometers
17. Rotating standards
18. Standard cell, reactance, resistor, and shunt
19. Switchboards
20. Synchronous timers
21. Testing panels
22. Testing resistors
23. Transformers
24. Voltmeters
25. Other testing, laboratory, or research equipment not provided for elsewhere.

111-396-50 POWER-OPERATED EQUIPMENT

This account represents the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts. Included also are the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

This account shall include the following items:

1. Air compressors, including driving unit and vehicle
2. Back filling machines
3. Boring machines
4. Bulldozers
5. Cranes and hoists
6. Diggers
7. Engines
8. Pile drivers
9. Pipe cleaning machines
10. Pipe coating or wrapping machines
11. Tractors-Crawler type
12. Trenchers
13. 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.

111-396-50 POWER-OPERATED EQUIPMENT

This account represents the cost installed of telephone, telegraph, and wireless equipment for general use in connection with utility operations.

This account shall include the following items:

1. Antennae
2. Booths
3. Cables
4. Distributing boards
5. Extension cords
6. Gongs
7. Hand sets, manual and dial
8. Insulators
9. Intercommunicating sets
10. Loading coils
11. Operators' desks
12. Poles and fixtures used wholly for telephone or telegraph wire
13. Radio transmitting and receiving sets
14. Remote control equipment and lines
15. Sending keys
16. Storage batteries
17. Switchboards
18. Telauthograph circuit connections
19. Telegraph receiving sets.
20. Telephone and telegraph circuits.
21. Testing instruments
22. Towers
23. Underground conduit used wholly for telephone or telegraph wires
and cable wires

111-398-50 MISCELLANEOUS EQUIPMENT

This account represents the cost of equipment, apparatus, etc., used in the utility operations, which is not includible in any other account of this system of accounts.

This account shall include the following 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