

## Functionalization Corrections

(Note: Account Descriptions are from FERC Uniform System of Accounts)

### Rate Base Account-Assets

**106 Completed construction not classified—  
Electric (Major only).**

ASC Template	FRN Table	Correct Functionalization	Default <sup>1</sup>
Direct <sup>2</sup>	Direct	Direct	DIR-D

At the end of the year or such other date as a balance sheet may be required by the Commission, this account shall include the total of the balances of work orders for electric plant which has been completed and placed in service but which work orders have not been classified for transfer to the detailed electric plant accounts.

**NOTE:** For the purpose of reporting to the Commission the classification of electric plant in service by accounts is required, the utility shall also report the balance in this account tentatively classified as accurately as practicable according to prescribed account classifications. The purpose of this provision is to avoid any significant omissions in reported amounts of electric plant in service.

### **114 Electric plant acquisition adjustments.**

ASC Template	FRN Table	Correct Functionalization	Default
DIR-D	Direct	Direct	DIR-D

A. This account shall include the difference between (1) the cost to the accounting utility of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (2) the original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provisions for depreciation and amortization and contributions in aid of construction with respect to such property.

B. With respect to acquisitions after the effective date of this system of accounts, this account shall be subdivided so as to show the amounts included herein for each property acquisition and to electric plant in service, electric plant held for future use, and electric plant leased to others. (See electric plant instruction 5.) C. Debit amounts recorded in this

<sup>1</sup> Default Functionalization must be used if utility elects not to perform a Direct Analysis on the account

<sup>2</sup> The term “Direct” here and throughout this document means Direct Analysis

account related to plant and land acquisition may be amortized to account 425, Miscellaneous Amortization, over a period not longer than the estimated remaining life of the properties to which such amounts relate. Amounts related to the acquisition of land only may be amortized to account 425 over a period of not more than 15 years. Should a utility wish to account for debit amounts in this account in any other manner, it shall petition the Commission for authority to do so. Credit amounts recorded in this account shall be accounted for as directed by the Commission.

**123 Investment in associated companies  
(Major only).**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>Direct</b>	<b>Direct</b>	<b>Direct</b>	<b>DIR-D</b>

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

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

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

**NOTE B:** Securities of associated companies held as temporary cash investments are includible in account 136, Temporary Cash Investments.

**NOTE C:** Balances in open accounts with associated companies, which are subject to current settlement, are includible in account 146, Accounts Receivable from Associated Companies.

**NOTE D:** The utility may write down the cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there is no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded but a permanent impairment in the value of securities shall be recognized in the accounts. When securities are written off or

written down, the amount of the adjustment shall be charged to account 426.5, Other Deductions, or to an appropriate account for accumulated provisions for loss in value established as a separate subdivision of this account.

**163 Stores expense undistributed  
(Major only).**

ASC Template	FRN Table	Correct Functionalization	Default
PTD	TD	PTD	N.A.

A. This account shall include the cost of supervision, labor and expenses incurred in the operation of general storerooms, including purchasing, storage, handling and distribution of materials and supplies.

B. This account shall be cleared by adding to the cost of materials and supplies issued a suitable loading charge which will distribute the expense equitably over stores issues. The balance in the account at the close of the year shall not exceed the amount of stores expenses reasonably attributable to the inventory of materials and supplies exclusive of fuel, as any amount applicable to fuel costs should be included in account 152, Fuel Stock Expenses Undistributed.

**ITEMS**

**Labor:**

1. Inspecting and testing materials and supplies when not assignable to specific items.
2. Unloading from shipping facility and putting in storage.
3. Supervision of purchasing and stores department to extent assignable to materials handled through stores.
4. Getting materials from stock and in readiness to go out.
5. Inventorying stock received or stock on hand by stores employees but not including inventories by general department employees as part of internal or general audits.
6. Purchasing department activities in checking material needs, investigating sources of supply, analyzing prices, preparing and placing orders, and related activities to extent applicable to materials handled through stores. (Optional. Purchasing department expenses may be included in administrative and general expenses.)
7. Maintaining stores equipment.
8. Cleaning and tidying storerooms and stores offices.
9. Keeping stock records, including recording and posting of material receipts and issues and maintaining inventory record of stock.
10. Collecting and handling scrap materials in stores.

**Supplies and expenses:**

11. Adjustments of inventories of materials and supplies but not including large differences which can readily be assigned to important classes of materials and equitably distributed among the accounts to which such classes of materials have been charged since the previous inventory.
12. Cash and other discounts not practically assignable to specific materials.
13. Freight, express, etc., when not assignable to specific items.
14. Heat, light and power for storerooms and store offices.
15. Brooms, brushes, sweeping compounds and other supplies used in cleaning and tidying storerooms and stores offices.
16. Injuries and damages.
17. Insurance on materials and supplies and on stores equipment.
18. Losses due to breakage, leakage, evaporation, fire or other causes, less credits for amounts received from insurance, transportation companies or others in compensation of such losses.
19. Postage, printing, stationery and office supplies.
20. Rent of storage space and facilities.
21. Communication service.
22. Excise and other similar taxes not assignable to specific materials.
23. Transportation expense on inward movement of stores and on transfer between storerooms but not including charges on materials recovered from retirements which shall be accounted for as part of cost of removal.

**NOTE:** A physical inventory of each class of materials and supplies shall be made at least every two years.

**154 Plant materials and operating supplies.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>PTD</b>	<b>TDG</b>	<b>PTD</b>	<b>N.A.</b>

A. This account shall include the cost of materials purchased primarily for use in the utility business for construction, operation and maintenance purposes. For Nonmajor utilities, this account shall include the cost of fuel on hand and unapplied materials and supplies (except meters and house regulators). For both Major and Nonmajor utilities, it shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance or accumulated depreciation provision, respectively, and included herein as follows:

- (1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.
- (2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof)

cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

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

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

C. For Nonmajor utilities, inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged.

**ITEMS**

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

**NOTE A:** Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account (account 163, Stores Expense Undistributed, in the case of Major utilities), and distributed therefrom to the appropriate account.

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

**155 Merchandise (Major only).**

ASC Template	FRN Table	Correct Functionalization	Default
PTDG	DIR-D	DIR-D	N.A.

This account shall include the book cost of materials and supplies and appliances and equipment held primarily for merchandising, jobbing and contract work. The principles prescribed in accounting for utility materials and supplies shall be observed in respect to items carried in this account.

**156 Other materials and supplies  
(Major only).**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>PTDG</b>	<b>DIR-D</b>	<b>DIR-D</b>	<b>N.A.</b>

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

**158.1 Allowance inventory.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-P</b>	<b>Direct</b>	<b>DIR-P</b>	<b>N.A.</b>

A. This account shall include the cost of allowances owned by the utility and not withheld by the Environmental Protection Agency. *See* General Instruction No. 21 and Account 158.2, Allowances Withheld.

B. This account shall be credited and Account 509, Allowances, shall be debited concurrent with the monthly emission of sulfur dioxide.

C. Separate subdivisions of this account shall be maintained so as to separately account for those allowances usable in the current year and in each subsequent year. The underlying records of these subdivisions shall be maintained in sufficient detail so as to identify each allowance included; the origin of each allowance; and the acquisition cost, if any, of the allowance.

**158.2 Allowances withheld.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-P</b>	<b>Direct</b>	<b>DIR-P</b>	<b>N.A.</b>

A. This account shall include the cost of allowances owned by the utility but withheld by the Environmental Protection Agency. (See General Instruction No. 21.)

B. The inventory cost of the allowances released by the Environmental Protection Agency for use by the utility shall be transferred to Account 158.1, Allowance Inventory.

C. The underlying records of this account shall be maintained in sufficient detail so as to identify each allowance included; the origin of each allowance; and the acquisition cost, if any, of the allowances.

**165 Prepayments.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>Direct</b>	<b>Direct</b>	<b>Direct</b>	<b>PTD</b>

This account shall include amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items, and shall be kept or supported in such manner as to disclose the amount of each class of prepayment.

**175 Derivative instrument assets.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-P</b>	<b>DIR-P</b>	<b>Direct</b>	<b>DIR-D</b>

This account shall include the amounts paid for derivative instruments, and the change in the fair value of all derivative instrument assets not designated as cash flow or fair value hedges. Account 421, miscellaneous nonoperating income, shall be credited or debited, as appropriate, with the corresponding amount of the change in the fair value of the derivative instrument.

**176 Derivative instrument assets—Hedges.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-P</b>	<b>DIR-P</b>	<b>Direct</b>	<b>DIR-D</b>

A. This account shall include the amounts paid for derivative instruments, and the change in the fair value of derivative instrument assets designated by the utility as cash flow or fair value hedges.

B. When a utility designates a derivative instrument asset as a cash flow hedge it will record the change in the fair value of the derivative instrument in this account with a concurrent charge to account 219, accumulated other comprehensive income, with the effective portion of the gain or loss. The ineffective portion of the cash flow hedge shall be charged to the same income or expense account that will be used when the hedged item enters into the determination of net income.

C. When a utility designates a derivative instrument as a fair value hedge it shall record the change in the fair value of the derivative instrument in this account with a concurrent charge to a subaccount of the asset or liability that carries the item being hedged. The ineffective portion of the fair value hedge shall be charged to the same income or expense account that will be used when the hedged item enters into the determination of net income.

**182.1 Extraordinary property losses.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-D</b>	<b>DIR-D</b>	<b>Direct</b>	<b>DIR-D</b>

A. When authorized or directed by the Commission, this account shall include extraordinary losses, which could not reasonably have been anticipated and which are not covered by insurance or other provisions, such as unforeseen damages to property.

B. Application to the Commission for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges, and other pertinent information.

**182.2 Unrecovered plant and regulatory study costs.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-D</b>	<b>DIR-D</b>	<b>Direct</b>	<b>DIR-D</b>

A. This account shall include:

- (1) Nonrecurring costs of studies and analyses mandated by regulatory bodies related to plants in service, transferred from account 183, Preliminary Survey and Investigation Charges, and not resulting in construction; and

(2) when authorized by the Commission, significant unrecovered costs of plant facilities where construction has been cancelled or which have been prematurely retired.

B. This account shall be credited and account 407, Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs, shall be debited over the period specified by the Commission.

C. Any additional costs incurred, relative to the cancellation or premature retirement, may be included in this account and amortized over the remaining period of the original amortization period. Should any gains or recoveries be realized relative to the cancelled or prematurely retired plant, such amounts shall be used to reduce the unamortized amount of the costs recorded herein.

D. In the event that the recovery of costs included herein is disallowed in the rate proceedings, the disallowed costs shall be charged to account 426.5, Other Deductions, or account 435, Extraordinary Deductions, in the year of such disallowance.

### **182.3 Other regulatory assets.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-D</b>	<b>Direct</b>	<b>Direct</b>	<b>DIR-D</b>

A. This account shall include the amounts of regulatory-created assets, not includible in other accounts, resulting from the ratemaking actions of regulatory agencies. (*See* Definition No. 30.)

B. The amounts included in this account are to be established by those charges which would have been included in net income, or accumulated other comprehensive income, determinations in the current period under the general requirements of the Uniform System of Accounts but for it being probable that such items will be included in a different period(s) for purposes of developing rates that the utility is authorized to charge for its utility services. When specific identification of the particular source of a regulatory asset cannot be made, such as in plant phase-ins, rate moderation plans, or rate levelization plans, account 407.4, regulatory credits, shall be credited. The amounts recorded in this account are generally to be charged, concurrently with the recovery of the amounts in rates, to the same account that would have been charged if included in income when incurred, except all regulatory assets established through the use of account 407.4 shall be charged to account 407.3, regulatory debits, concurrent with the recovery in rates.

C. If rate recovery of all or part of an amount included in this account is disallowed, the disallowed amount shall be charged to Account 426.5, Other Deductions, or Account 435, Extraordinary Deductions, in the year of the disallowance.

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

**186 Miscellaneous deferred debits.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>Direct</b>	<b>Direct</b>	<b>Direct</b>	<b>DIR-D</b>

A. For Major utilities, this account shall include all debits not elsewhere provided for, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization and items the proper final disposition of which is uncertain.

B. For Nonmajor utilities, this account shall include the following classes of items: (1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plant. If the work is abandoned, the charge shall be to account 426.5, Other Deductions, or to the appropriate operating expense accounts. (2) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein related to a future period. (3) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress. (4) Other debit balances, the proper final disposition of which is uncertain and unusual or extraordinary expenses not included in other accounts, which are in process of being written off.

C. For both Major and Nonmajor utilities, the records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein.

**187 Deferred losses from disposition of utility plant.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>Direct</b>	<b>Direct</b>	<b>Direct</b>	<b>DIR-D</b>

This account shall include losses from the sale or other disposition of property previously recorded in account 105, Electric Plant held for Future Use, under the provisions of paragraphs B, C, and D thereof, where such losses are significant and are to be amortized over a period of 5 years, unless otherwise authorized by the Commission. The amortization of the amounts in this account shall be made by debits to account 411.7, Losses from Disposition of Utility Plant. (See account 105, Electric Plant Held for Future Use.)

## **Rate Base Account-Liabilities**

### **244 Derivative instrument liabilities.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>Direct</b>	<b>DIR-P</b>	<b>Direct</b>	<b>DIR-P</b>

This account shall include the change in the fair value of all derivative instrument liabilities not designated as cash flow or fair value hedges. Account 426, other deductions, shall be debited or credited as appropriate with the corresponding amount of the change in the fair value of the derivative instrument.

### **245 Derivative instrument liabilities- Hedges.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-P</b>	<b>DIR-P</b>	<b>Direct</b>	<b>DIR-P</b>

A. This account shall include the change in the fair value of derivative instrument liabilities designated by the utility as cash flow or fair value hedges.

B. A utility shall record the change in the fair value of a derivative instrument liability related to a cash flow hedge in this account, with a concurrent charge to account 219, accumulated other comprehensive income, with the effective portion of the derivative's gain or loss. The ineffective portion of the cash flow hedge shall be charged to the same income or expense account that will be used when the hedged item enters into the determination of net income.

C. A utility shall record the change in the fair value of a derivative instrument liability related to a fair value hedge in this account, with a concurrent charge to a subaccount of the asset or liability that carries the item being hedged. The ineffective portion of the fair value hedge shall be charged to the same income or expense account that will be used when the hedged item enters into the determination of net income.

**253 Other deferred credits.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>Direct</b>	<b>Direct</b>	<b>Direct</b>	<b>DIR-P</b>

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

**254 Other regulatory liabilities.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-D</b>	<b>Direct</b>	<b>Direct</b>	<b>DIR-P</b>

A. This account shall include the amounts of regulatory liabilities, not includible in other accounts, imposed on the utility by the ratemaking actions of regulatory agencies. (*See* Definition No. 30.)

B. The amounts included in this account are to be established by those credits which would have been included in net income, or accumulated other comprehensive income, determinations in the current period under the general requirements of the Uniform System of Accounts but for it being probable that: Such items will be included in a different period(s) for purposes of developing the rates that the utility is authorized to charge for its utility services; or refunds to customers, not provided for in other accounts, will be required. When specific identification of the particular source of the regulatory liability cannot be made or when the liability arises from revenues collected pursuant to tariffs on file at a regulatory agency, account 407.3, regulatory debits, shall be debited. The amounts recorded in this account generally are to be credited to the same account that would have been credited if included in income when earned except: All regulatory liabilities established through the use of account 407.3 shall be credited to account 407.4, regulatory credits; and in the case of refunds, a cash account or other appropriate account should be credited when the obligation is satisfied.

C. If it is later determined that the amounts recorded in this account will not be returned to customers through rates or refunds, such amounts shall be credited to Account 421, Miscellaneous Nonoperating Income, or Account 434, Extraordinary Income, as appropriate, in the year such determination is made.

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

**256 Deferred gains from disposition of utility plant.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-D</b>	<b>Direct</b>	<b>Direct</b>	<b>DIR-P</b>

This account shall include gains from the sale or other disposition of property previously recorded in account 105, Electric Plant Held for Future Use, under the provisions of paragraphs B, C, and D thereof, where such gains are significant and are to be amortized over a period of 5 years, unless otherwise authorized by the Commission. The amortization of the amounts in this account shall be made by credits to account 411.6, Gains from Disposition of Utility Plant. (See account 105, Electric Plant Held for Future Use.)

## **Rate Base Account-Plant in Service**

### **302 Franchises and consents.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>Direct</b>	<b>Direct</b>	<b>Direct</b>	<b>PTD</b>

A. This account shall include amounts paid to the federal government, to a state or to a political subdivision thereof in consideration for franchises, consents, water power licenses, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, water power licenses, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises.

B. If a franchise, consent, water power license or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefore by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 426.5, Other Deductions.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 426.5, Other Deductions, or to account 111, Accumulated Provision for Amortization of Electric Utility Plant (for Nonmajor utilities, account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant), as appropriate.

D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent. NOTE: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

### **303 Miscellaneous intangible plant.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>Direct</b>	<b>Direct</b>	<b>Direct</b>	<b>DIR-D</b>

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

B. When any item included in this account

is retired or expires, the book cost thereof shall be credited hereto and charged to account 426.5, Other Deductions, or account 111, Accumulated Provision for Amortization of Electric Utility Plant (for Nonmajor utilities, account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant), as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

**399 Other tangible property.**

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

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>Direct</b>	<b>Direct</b>	<b>Direct</b>	<b>PTD</b>

**399.1 Asset retirement costs for general plant.**

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

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>PTD</b>	<b>TD</b>	<b>PTD</b>	<b>N.A.</b>

## **Revenue Accounts**

### **450 Forfeited discounts.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-D</b>	<b>DIR-P</b>	<b>DIR-D</b>	<b>N.A.</b>

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

### **451 Miscellaneous service revenues.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-D</b>	<b>DIR-P</b>	<b>DIR-D</b>	<b>N.A.</b>

This account shall include revenues for all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

#### **ITEMS**

1. Fees for changing, connecting or disconnecting service.
2. Profit on maintenance of appliances, wiring, piping or other installations on customers' premises.
3. Net credit or debit (cost less net salvage and less payment from customers) on closing of work orders for plant installed for temporary service of less than one year. (See account 185, Temporary Facilities.)
4. Recovery of expenses in connection with current diversion cases (billing for the electricity consumed shall be included in the appropriate electric revenue account).

### **453 Sales of water and water power.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>DIR-D</b>	<b>DIR-P</b>	<b>DIR-P</b>	<b>N.A.</b>

A. This account shall include revenues derived from the sale of water for irrigation, domestic, industrial or other uses, or for the development by others of water power, or for headwater benefits; also, revenues derived from furnishing water power for mechanical purposes when the investment in the property used in supplying such water or water power is carried as electric plant in service.

B. The records for this account shall be kept in such manner as to permit an analysis of the rates charged and the purposes for which the water was used.

## **Expense Accounts**

### **923 Outside services employed.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>PTD'</b>	<b>TD</b>	<b>Labor</b>	<b>N.A.</b>

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

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

#### **ITEMS**

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
  2. Supervision fees and expenses paid under contracts for general management services.
- NOTE: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

### **928 Regulatory commission expenses.**

<b>ASC Template</b>	<b>FRN Table</b>	<b>Correct Functionalization</b>	<b>Default</b>
<b>PTD'</b>	<b>TD</b>	<b>DIR-D</b>	<b>N.A.</b>

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees, and also including payments made to the United States for the administration of the Federal Power Act.

B. Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to account 186, Miscellaneous Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

#### ITEMS

1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

2. Office supplies and expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

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

NOTE B: Do not include in this account amounts includible in account 302, Franchises and Consents, account 181, Unamortized Debt Expense, or account 214, Capital Stock Expense.