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NOTICE 1117 OF 2008

Title: Regulatory Reporting Manual Volume 3: Piped-gas

Purpose: To prescribe and provide guidance to the regulated entities in the Piped-gas Industry on the format, content, preparation and submission to the Energy Regulator of required information to perform its functions.

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1 Definitions and Instructions

1.1 Overview

Volume 3 of the Regulatory Reporting Manual (RRM) for use by regulated gas businesses prescribes accounting classifications and instructions in the form of a chart of accounts aimed at achieving uniform reporting records by maintaining a consistent application among licensees. This chart of accounts along with Volume 1 is the basis for regulatory financial record keeping and submitting regulatory financial reports.

This chart of accounts is organized as follows:-

[a]. Definitions

[b]. Preparation Instructions

[c]. Listing of Accounts in the form of Chart of Accounts (COA):

- Account numbers
- Account titles
- Description of the transactions to be recorded in the account
- Instructions on recording the transaction in the account

The following table summarises, the accounts for each gas business (transmission, storage, distribution, liquefaction, re-gasification and trading of gas) prescribed in this volume:-

Balance Sheet Accounts	Gas plant/facility
	Other property and investment
	Current and accrued assets
	Deferred debits
	Owners' equity (share capital and retained earnings)
	Long term debt
	Other non-current liabilities
	Current and accrued liabilities
	Deferred credits
Income & Expense Accounts	Operating income (regulated activity)
	Operating & maintenance expenses
	Other income & deductions
	Depreciation/amortization expenses
	Regulatory assets/debits and liabilities/credits
	Administrative and general expenses
	Extraordinary items
	Interest charges

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	Taxes
Operating revenues	Trading in Gas (Sale of Gas):
	• Residential customers (provincial basis)
	• Commercial customers (provincial basis)
	• Industrial customers (provincial basis)
	Other revenues
Operating and maintenance expenses	Transmission expenses
	Storage expenses
	Distribution expenses
	Gas trading expenses
	Customer account expenses
	Customer service, sales,
	General and administrative expenses

Implementation and compliance with the account structure prescribed in this Volume will achieve the following outcomes desired by the Energy Regulator:-

- ✓ Cost separation between regulated and non-regulated businesses
- ✓ Functionalization – recording by functional categories, namely construction or operation of; transmission, storage, distribution facilities, and trading of gas.
- ✓ Classification of costs – main categories e.g. plant, opex, and taxes and sub-category or sub-accounts, e.g. the gas plant has such sub-accounts as; land and land rights, structures and improvements.
- ✓ Amenable to allocation of costs to customer classes – the costs of each functional category classified by causation characteristics distinguishing between tariff for network services and price for molecules. Customers should be divided into classes, as defined in the Gas Regulations, for the purpose of allocating costs to service and designing tariffs or prices.

Linkage of Regulatory Reporting to Other Regulatory Activities

The following diagram provides a high level perspective the place Regulatory Reporting occupies in the regulatory process and the linkage thereto.

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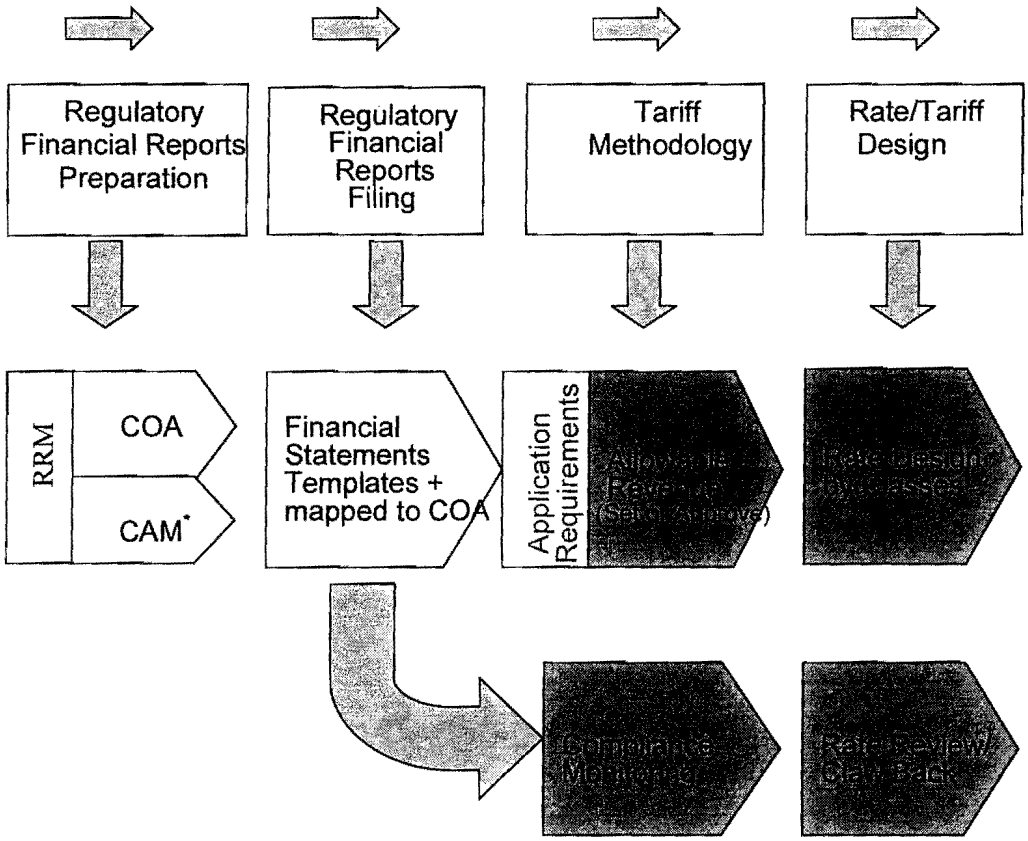

* CAM denotes Cost Allocation Manual

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1.2 List of Acronyms

1. ABC – Activity Based Costing
2. CAM – Cost Allocation Manual
3. DSM – Demand Side Management
4. ERP – Enterprise Resource Planning
5. FAQ - Frequently Asked Questions
6. G & A – General and Administrative
7. GAAP[1] – Generally Accepted Accounting Practice
8. IFRS – International Financial Reporting Standards
9. IT – Information Technology
10. NBV – Net Book Value
11. PFMA – Public Finance Management Act, 1999 (No 01 of 1999 and as amended by Public Finance Management Amendment Act, No 29 of 1999)
12. RRM – Regulatory Reporting Manual
13. RAV – Regulatory Asset Value
14. RV – Regulatory Value
15. SLA – Service Level Agreement

1.3 Terminology

1. Affiliate or Associate or Related Party- includes corporations or business enterprises that are: - [1] members of the same group of companies as the corporate entity, including subsidiaries, joint venture partners, joint venture companies and other similar arrangements, and the group's associated companies over which the corporate entity's ultimate shareholder (where ultimate shareholder excludes the Government) can exert significant influence; and [2] companies outside the group of companies of which the corporate entity is a member, over which the corporate entity's ultimate shareholder (where the ultimate shareholder excludes the Government) can exert significant influence.
2. Cost Allocation – is the process of correctly assigning a single cost to more than one business unit, activity, process, product or service in a manner that prevents cross subsidization.
3. Cost Allocator - is a formula or ratio for sharing the cost of an activity among those which cause the cost to be incurred.
4. Cost Driver – is a measurable event or quantity which influences the level of costs incurred and which can be directly traced to the origin of the costs themselves.
5. Cross subsidisation – is when a firm, producing more than one product, uses the revenues from the sale of one product to cover the costs of producing another

[1] South Africa Institute of Chartered Accountants (SAICA)/ Accounting Practices Board (APB) agreed from 2004 to issue International Financial Reporting Standards (IFRS) as South Africa Statements of GAAP without amendment.

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product or, the process of assigning costs between divisions/services/products in a manner that does not objectively reflect the manner in which the costs are incurred.

6. Depletion Accounting – is an accounting practice that places charges against earnings based on resources extracted/removed from total natural resources reserves in an entity's books of accounts.
7. Direct Costs – are costs that are specifically incurred on behalf of a specific entity with an identifiable causal relationship with a business unit, activity, process, product or service. Direct assignment is applied in case of direct costs.
8. Distribution Pipelines - are as defined by Gas Regulation 2 (1).
9. Energy Regulator – National Energy Regulator of South Africa (NERSA) established in terms of section 3 of the National Energy Regulator Act, 2004 (Act No 40 of 2004).
10. Fully Allocated Cost – is the total of all direct and indirect costs including cost of capital incurred in providing both regulated and non-regulated goods and/or services.
11. Gas Act - Gas Act, 2001 (Act No 48 of 2001).
12. General plant or General facility: means any installation or property that is used in gas piped-gas operations and not provided for in a Plant Account
13. Government – Government of the Republic in South Africa.
14. Historical Cost – "actual cost" or "original cost" or "purchase price" of the asset. Where no historical cost information exists, RAV is the deemed historical cost at the commencement of economic regulation
15. Incremental Costing or Marginal Costing – is a pricing approach based on only the additional cost of producing a product/service while the pre-existing products/services support the fixed costs.
16. Indirect Costs - are those costs which are not directly assignable to a product or service, but incurred by an entity or business unit in producing the regulated product or service. This includes, but is not limited to, overhead costs, administrative and general costs, and taxes. Indirect costs are allocated based upon a methodology as set forth in this Manual.
17. Joint Costs – are those costs which do not have a specific, identifiable causal relationship with a particular entity or affiliate, but which benefit all affiliates/business units, or more than one. Joint costs are also referred to as common costs, and include corporate costs.
18. Licensee – a holder of a licence granted or deemed to have been granted by the Energy Regulator under the National Energy Regulator Act, 2004 (Act No 40 of 2004), Gas Act, 2001 (Act No 48 of 2001), Licensee and Regulated Entity shall be used interchangeably.
19. Long-lived asset – Asset with economic (service) life that spans over several years.
20. Manual – Regulatory Reporting Manual.
21. Minister – Minister of Minerals and Energy.
22. Modified Historical Cost - is historical cost indexed by inflation.

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23. National Energy Regulator Act – National Energy Regulator Act, 2004 (Act No 40 of 2004).
24. NERSA – National Energy Regulator of South Africa.
25. Non Discrimination - is as defined by Gas Act, 2001 (Act No 48 of 2001).
26. Operation of pipeline activities includes:-

    (a) All activities necessary to safely operate an existing pipeline; and

    (b) Maintenance activities, upgrades, repairs, or replacements to an existing pipeline or part of a pipeline that do not increase the approved maximum operating pressure; diameter of the pipeline; or its route. An upgrade in this context means the addition of cathodic protection systems, upgrades in technology, metering or regulating facilities installed for the purposes of measurement or monitoring; but upgrades in this context exclude additions of new connections, additional compression and pressure, a tie-in or hot tap, and associated piping and connection facilities for purposes of sale or receipt of gas.

    Operations and maintenance do not include:-

    (i) upgrades that result in increases to the maximum operating pressure, the diameter of the pipeline, and or permanent increase in airborne emissions or noise levels (except for temporary increases, above previously approved levels);

    (ii) looping (i.e. adding a pipe parallel or adjacent to, and interconnected with an existing pipeline for the general purpose of increasing capacity;

    (iii) construction of a new pipeline; or

    (iv) decommission (for longer than 12 months), re-commission (where a pipeline has been decommissioned for more than 12 months), decommissioning, or absenteeism, or abandonment.
27. Other plant or "Other facility" means any installation or property that is entirely distinct from and is not operated in connection with the Piped-gas service of the company.
28. Plant herein also means facility.
29. Plant or "facility" - means, in respect of a Piped-gas company, any installation or property operated and used in connection with the Piped-gas service of the company, the cost of which is to be recorded in the "Plant Account" prescribed herein.
30. Regulatory Assets/Debits - are assets/debits that result from tariff setting/approval actions/decisions of the Energy Regulator. Regulatory assets/debits arise from specific revenues, expenses, gains, or losses that would have been included in net income determination in one period under the general requirements of the Regulatory Reporting Manual. However, due to the Energy Regulator decision, such items are deferred and instead will be included in a different period(s) for purposes of developing the tariffs the licensee is authorized to charge for its regulated services; or
31. Regulatory Liabilities/Credits – are liabilities/credits that result from tariff setting/approval actions/decisions result from tariff setting/approval actions/decisions of the Energy Regulator. Regulatory liabilities arise from specific revenues, expenses,

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gains, or losses that would have been included in net income determination in one period under the general accounting. However, due to Energy Regulator decision a liability arises requiring the licensee for, instance, to make a refund to customers.

Examples of Items that may become Regulatory Assets or Liabilities as a result a regulatory decision be Energy Regulator:-

(a) un-recovered plant and regulatory study costs where construction has been cancelled;

(b) rate moderation or rate smoothing plans/deferred rate impact amounts;

(c) deferred losses/gains from disposition of regulated plant;

(d) gains/losses on derivative financial assets/liabilities;

(e) plant acquisition adjustments;

(f) primary energy variations; and

(g) claw-backs, etc.

32. Regulated Business - any licensee, service or activity that is subject to regulation by the NERSA in terms of the National Energy Regulator Act No 40 of 2004, or the Gas Act No 48 of 2001.
33. Regulated Entity – Regulated Business.
34. Regulatory Reporting Manual (RRM) – Detailed reporting procedures, requirements and guidelines to be implemented by the regulated entities.
35. Regulatory Accounts or Regulatory Financial Statements – financial records and statements to be prepared and submitted to the Energy Regulator by a regulated entity as prescribed by this Regulatory Reporting Manual.
36. Service Life of Asset - estimated economically useful life of depreciable property as supported by engineering, economic, or other depreciation studies.
37. Shared Services – are services that are corporate or general purpose in nature, are used by various or all business units, but are not operations related.
38. Transfer Pricing – the pricing of products/services that one affiliate/business unit supplies to another affiliate/business unit of the same organization.
39. Transmission Pipelines - are as defined by Gas Regulation 2 (2), 3(1), 3(2) and 3(3).
40. Unregulated Business - entity, service or activity that is not subject to regulation by the Energy Regulator.
41. Other accounting terminologies used herein, unless defined otherwise in the RRM, will take the same meaning as that given in the IFRS and/or South African GAAP/GRAP

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1.4 General Instructions

1. Separate accounts and data for each activity

The gas transmission, storage, distribution, trading, liquefaction and re-gasification activities of vertically integrated companies must be managed separately with separate accounts and data with no cross-subsidisation. Such records must be kept in sufficient detail as to be able to furnish the Energy Regulator with details by licensed activity and, if so required, by licensed facility.

2. Distribution of Pay and Expenses of Employees.

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

3. Payroll Distribution.

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

Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labour charged initially to clearing accounts so that the total labour cost may be classified among construction, cost of decommissioning and land rehabilitation, gas operating functions and non-regulated operations.

4. Income Taxes

In calculating regulated business income taxes, the licensee should maximize all the allowed deductions for income tax. Only those income taxes on regulated business income that is currently payable should be included as a "pass-through" in the allowable revenue/customer rates.

Each licensee must disclose in detail the methodology used to calculate income tax, in its tariff application.

The Energy Regulator may, when deemed appropriate, also prescribe alternative methodology for calculating income tax, or determine "all-inclusive" allowable revenue so that income tax expense need not be considered separately.

5. Accounting for derivative instruments and hedging activities

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Regulated entities should recognize derivative instruments as either assets or liabilities in the financial statements and apply accounting treatment and disclosure requirements as prescribed by the South African GAAP/IFRS.

The regulated entity is required to report transparently the cost and frequency of trading in financial instruments as well as hedging strategy. Speculative trading in financial instruments will not be allowed by the Energy Regulator for tariff purposes.

The Energy Regulator will decide on how gains/losses from financial instruments and hedges, should be apportioned over time and to customer classes.

6. Accounting for asset retirement Obligations

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

The Licensee should initially record a liability for an asset retirement obligation in the account for "Asset Retirement Obligations", and charge the associated Asset Retirement Costs to the gas plant/facility, and non-regulated plant/facility, as appropriate, related to the plant that gives rise to the legal obligation. The Asset Retirement Cost shall be depreciated over the useful life of the related asset that gives rise to the obligations. For periods subsequent to the initial recording of the asset retirement obligation, a Licensee shall recognize the period to period changes of the Asset Retirement Obligation that result from the passage of time due to the accretion of the liability and any subsequent measurement changes to the initial liability for the legal obligation recorded in the account for "Asset Retirement Obligations", as follows:

(1) the licensee shall record the accretion of the liability by debiting the account for:-

(a) "Accretion Expense" from asset retirement obligation, in the case of a regulated plant in service;

(b) "Expenses of plant leased to others, in the case of a plant leased to others";

(c) "Interest, dividend and other income", in the case non-regulated plant;

and crediting the account for "Asset Retirement Obligations"; and

(2) the Licensee shall recognize any subsequent measurement changes of the liability initially recorded in the account for "Asset retirement obligations", for each specific Asset Retirement Obligation as an adjustment of that liability in the account for "Asset Retirement Obligations" with the corresponding adjustment to gas Licensee plant, gas plant leased to others, and non-regulated plant, as appropriate. The Licensee shall on a timely basis monitor any measurement changes of the asset retirement obligations.

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Gains or losses resulting from the settlement of Asset Retirement Obligations associated with Licensee plant resulting from the difference between the amount of the liability for the Asset Retirement Obligation included in the account for Asset Retirement Obligations, and the actual amount paid to settle the obligation shall be credited to the account for "Gains / Losses from disposition of Licensee plant".

Gains or losses on the settlement of Asset Retirement Obligations associated with non-regulated plant resulting from the difference between the amount of the liability for the Asset Retirement Obligation account, Asset Retirement Obligations, and the amount paid to settle the obligation, shall be accounted for as follows:-
(1) gains shall be credited to the account for "Revenues from non-regulated operations" and;
(2) losses shall be charged to the account for "Expenses of non-regulated operations".

7. Research Development and Demonstration (RD&D)
RD&D is the expenditures incurred by a Licensee either directly or through another person or organization (such as a research institute, industry association, foundation, university, engineering company or similar contractor) in pursuing research, development, and demonstration activities as defined by the South African GAAP/IFRS and the regulated entity should apply to accounting treatment and disclosure requirements as prescribed by the South African GAAP/IFRS. Generally RD&D expenditures would typically include the following:-

A. Research:-
(i) laboratory research aimed at discovery of new knowledge.
(ii) searching for applications of new research findings or other knowledge.
(iii) conceptual formulation and design of possible product or process alternatives.

B. Development:-
(i) testing in search for, or evaluation of, product or process alternatives.
(ii) design, construction, and testing of pre-production prototypes and models.
(iii) design of tools, jigs, molds and dies involving new technology.

1.5 Plant Instructions

1. Classification of Gas Plant at effective date of the RRM
(a) The balances in the various plant accounts, as determined under the prior system of accounts, should be carried forward and categorized to this chart of accounts.

(b) The detailed gas plant accounts should be stated on the basis of cost to the Licensee of plant constructed by it and the original cost, or approved vesting Regulatory Value if original cost is not known, of plant acquired. The difference between the original cost, as above, and

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the cost to the Licensee of gas plant after giving effect to any accumulated provision for Depreciation or Amortization should be recorded in the account for "Gas plant acquisition adjustments".

(c) Plant acquired by lease which qualifies as capital lease property under SA GAAP/IFRS should be recorded in the account for "Property under capital leases".

(d) Plant accounts should be supported by sub-accounts that record the costs, by location, of:-

(i) each major facility including each main gas storage, distribution, trading, liquefaction and re-gasification, compressor station and main pipeline, ; and

(ii) any other facility that is separately located.

(e) Plant accounts should be maintained to record separately expenditures for each plant addition, replacement and retirement as licensed by the Energy Regulator.

(f) Any installation or property not used in Piped-gas operations should be recorded in the balance sheet account "Other Plant".

2. Gas Plant Should Be Recorded at Historical Cost

(a) Unless otherwise specified by the Energy Regulator, all amounts included in the Accounts for gas plant should be recorded at historical cost, except for property acquired by lease which qualifies as capital lease property and in which case it should be recorded in the account for "Property under capital leases, in accordance with SA GAAP/IFRS on Accounting for Leases.

The Energy Regulator may also make a once-off determination of a vesting Regulatory Value of an asset as specified in the RRM Volume 1, at the commencement of economic regulation or implementation of the RRM.

(b) When the consideration given for acquired or sold property is other than cash, the value of such consideration should be determined on a cash basis. In the entry recording such transaction, the actual consideration should be described with sufficient details to identify it. The Licensee should be prepared to furnish the Energy Regulator with the particulars of its determination of the cash value of the consideration if other than cash.

(c) When property is purchased under a plan involving deferred payments, no charge should be made to the gas plant Accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

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(d) When contributions in aid of construction are received in the form of monies, the amount received should be recorded in the account for "Cash" and in the related asset contra account for "Gross value of contributions and grants-credit". This account will be amortized. These contributions should be recorded by rate class. If a contribution does not relate to a single rate class then the contribution should be allocated between rate classes in an objective manner.

(e) When an asset is added to gas plant, the cost thereof should be added to the appropriate gas plant account.

3. Gas Plant Sold/Retired.

(a) When gas plant is sold, conveyed, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another should be credited to the appropriate Licensee plant accounts, including amounts carried in the account for "Gas plant acquisition adjustments". The amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provision for depreciation and amortization and in the account for "Customer advances for construction", should be charged to such accounts. Unless otherwise ordered by the Energy Regulator, the difference, if any, between (1) the net amount of debits and credits and (2) the consideration received for the property (less Commissions and other expenses of making the sale) should be recorded in the account for "Gains /Losses from disposal of Licensee plant.

(b) When an asset is retired from gas plant, with or without replacement, the book cost (the amount at which such property is included in the gas plant accounts, including all components of construction costs) thereof should be credited to the gas plant account in which it is recorded. If the asset is of a depreciable class, the book cost of the asset retired and credited to gas plant should be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage should be charged or credited, as appropriate, to such accumulated provision for depreciation account applicable to such property.

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

4. Allowance for funds used during construction.

Allowance for funds used during construction includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds like equity, when so used, not to exceed, without prior approval of the Energy

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Regulator, allowances computed in accordance with the formula prescribed in paragraph (a) of this subparagraph. No allowance for funds used during construction charges shall be included in these accounts for expenditures arising from construction projects which have been abandoned.

(a) The formula and elements for the computation of the allowance for funds used during construction shall be the approved weighted average cost of capital multiplied by the sum of:-

(i) average balance in construction work in progress,

(ii) plus average capital inventory balance,

(iii) less construction accounts payable,

(iv) less asset retirement costs (if any are included in construction work in progress).

(b) The weighted average cost rate shall be determined in the manner indicated and approved by the Energy Regulator for the applicable year.

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

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

5. Plant Constructed:

Where a plant is constructed by or for that licensee, the costs to be recorded in the plant accounts shall include the following elements of cost:-

(a) Cost of Labour

(i) Cost of labour for construction of plant should be the amount paid for labour, including employee benefits, performed by the company's employees, where these employees are specially assigned to construction work

(ii) No charge should be made to plant accounts for the pay of the company's employees whose services in connection with construction are merely incidental, except as prescribed in this Manual.

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(iii) The allocation of travelling and other incidental expenses of the company's employees shall be made to accounts on the same basis as the distribution of the pay of those employees.

(b) Cost of Materials and Supplies

(i) Cost of materials and supplies should be the purchase price of materials and supplies at the point of free delivery, the cost of VAT, inspection, transportation and, where appropriate, a suitable proportion of store expenses.

(ii) In determining the cost of materials and supplies, suitable allowance should be made for all discounts allowed and realized on the purchase thereof.

(iii) In debiting the plant accounts with materials and supplies used, allowance should be made for the value of:-

(1) unused portions and other salvage;

(2) the materials recovered from temporary pipe, scaffolding and other temporary structures used in construction; and

(3) small tools recovered and usable for other purposes.

(c) Cost of Special Machine and Heavy Work Equipment Service

(i) Cost of special machine and heavy work equipment service should be the cost of labour, material, depreciation, supplies and other costs incurred in maintaining and operating power shovels, scrapers, pile drivers, dredgers, ditchers, material loaders and similar equipment, and any amount paid to others for rent, operation and maintenance of such equipment.

(ii) Where a construction project necessitates the purchase of equipment to be used exclusively on the project until the project is completed, the cost of the equipment should be debited to the accounts representing the cost of the project and while the cost remains so debited no debit should be made to expenses for depreciation on the equipment. The amount realized from any subsequent sale of this equipment, or the appraised value of any equipment retained after the completion of the project for which it was purchased, should be credited to the accounts debited with the equipment's cost.

(iii) The appraised value of equipment retained after the completion of the project for which it was purchased should be debited to the appropriate plant account and, thereafter, for the purposes of accounting, that appraised value should be considered as the cost of the equipment.

(d) Cost of Transportation

(i) Cost of transportation incurred in the construction of plant should be the cost of transporting labour, equipment and material and supplies used for construction purposes.

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(ii) The cost of transportation of construction material to the point where material is received by the company should be included, if practicable, in the cost of the material.

(f) Cost of Contract Work

Cost of contract work should be any amount paid for work performed under contract by other companies and individuals.

(g) Cost of Insurance, Injuries and Damages

(i) Cost of insurance, injuries and damages should include

(1) the premiums paid for insuring plant during construction;

(2) the costs incurred for protection against fire and wilful destruction of plant during construction; and

(3) the costs incurred in respect of injuries to persons, damage to property of others and damage to plant incidental to construction.

(ii) Insurance recovered or recoverable for compensation for injuries to persons injured during the construction of plant should be credited to the account or accounts debited with the cost of the injuries.

(iii) Insurance recovered or recoverable in respect of property damage incidental to the construction of plant should be credited to the account or accounts debited with the cost of the damage.

(4) Any injury or damage incidental to the removal of a structure or part thereof should be debited to the account recording the retirement costs of the structure.

(5) Any injury or damage incidental to the removal of a structure or part thereof that is an encumbrance on newly acquired land by a company shall be included in the cost of that land.

(h) Cost of Privileges

Cost of privileges should be the compensation paid for the temporary use of public and private property in connection with a construction project.

(i) Cost of Engineering Services

Cost of engineering services should be any amount paid to other companies, firms or individuals engaged by the company to plan, design, prepare estimates, supervise, inspect or give general advice and assistance in connection with a construction project.

(j) Earnings and Expenses during Construction

Earnings and expenses during the construction of plant shall include all revenues derived during the construction period from property that is included in the cost of plant under construction and all expenses that are attributable to the revenues received.

(k) Cost of Rents

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Cost of rents shall include any amount paid for the use of construction quarters and office space occupied by construction forces.

(l) Cost of Overhead during Construction

(i) Cost of overhead during construction shall include engineering, supervision and administrative salaries and expenses, employee benefits, legal fees, taxes, shop service and other analogous items, to the extent that they may be reasonably considered to be plant costs.

(ii) Only actual and reasonable overhead costs shall be assigned to particular jobs or units.

(iii) The records supporting the entries for cost of overhead during construction shall show the total amount of each type of overhead expenditure capitalized in the year and the basis of distribution thereof.

(m) Allowance for Funds Used During Construction

(i) A company may, as approved by the Energy Regulator, capitalize an allowance for funds used during construction.

(ii) The allowance for funds used during construction should be calculated in accordance with the instructions set out herein or as updated from time to time by the Energy Regulator, and may, if so directed by the Energy Regulator, be prorated over the appropriate depreciable plant accounts.

6. Asset retirement costs.

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

7. Land and Land Rights.

(a) The accounts for land and land rights will record the cost of land owned by the Licensee and rights. These accounts should also include interests, and privileges held by the Licensee in land owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submersion rights, rights-of-way, and other like interests in land.

(b) Separate entries should be made for the acquisition, transfer, or retirement of each parcel of land (excluding land rights) having a life of more than one year. A record should be maintained showing the nature of ownership, full legal description, and a date of recording of the land deed. Entries transferring or retiring land shall refer to the original entry recording its acquisition.

(c) Where land is retired or sold, the appropriate accounts (Gas Plant in Service, or Gas Plant Leased to Others, or Gas Plant Held for Future Use, or Other Plant) should be credited with

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the book cost of the land. Any difference between the amount received from the sale of land, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights, should be recorded in the account for "Gains /Losses from disposition of Regulated Plant". Appropriate adjustments of the accounts should be made with respect to any structures or improvements located on land sold.

(d) The cost of buildings and other improvements (other than public improvements) should not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements) which are then devoted to Licensee operations, the land and improvements shall be separately appraised with the cost allocated to land and buildings or improvements on the basis of the separate appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

(e) When the purchase of land for gas operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in Licensee operations. The portion of the cost measured by the fair market value of the land not to be used shall be recorded in the account for "Gas plant held for future use" or the account for "Non-regulated property", as appropriate.

8. Buildings, Structures and Improvements.

The accounts for structures and improvements will record the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to the land. Also included are those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction and installation of plant.

Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration should not be included in the cost of the building but in the appropriate equipment account.

9. Asset Record System.

Each Licensee should record all construction and retirements of gas plant by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of gas plant or the retirements may be included with the construction work order, provided, however, that all items relating to the retirements shall be kept separate from those relating to

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construction and provided, further, that any maintenance costs involved in the work shall likewise be segregated.

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

10. Transfers of Property.

When property is transferred from one gas plant account to another, from one Licensee department to another, from one operating division or area to another, to or from Accounts, "Gas plant in service", "Gas plant leased to others", "Gas plant held for future use", "Non-regulated property", the transfer shall be recorded by transferring the original cost thereof from the one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provision for depreciation or amortization shall be transferred in accordance with the segregation of such accounts.

11. Common Plant.

(a) If the Licensee is engaged in more than one Licensed service and any of its plant is used in common for several licensed services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by Licensee services currently in the accounts, such property, with the approval of the Energy Regulator, may be designated and classified as common plant in a separate account as specified by the Licensee.

(b) The Licensee should be prepared to show at any time and to report to the Energy Regulator annually, or more frequently, if required, and by Licensee plant accounts (301 to 399.2) the following: (1) The book cost of common plant, (2) The allocation of such cost to the respective departments using the common plant, and (3) The basis of the allocation, i.e. fully allocated cost basis prescribed in RRM Volume 1.

(c) The accumulated provision for Depreciation and Amortization of the Licensee shall be segregated so as to show the amount applicable to the property classified as common plant.

(d) The expenses of operation, maintenance, rents, depreciation and amortization of common plant shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the common plant shall be supported in such manner as to readily reflect the basis of allocation used. The fully allocated cost approach should be applied in allocating these costs.

12. Plant Equipment Held for Emergency in Stores.

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Plant equipment held for emergency in stores are non rotational in nature and are considered to be capital assets and as such are included in Plant in service. Plant equipment held for emergency in stores are depreciated at the standard rate for the specific asset class.

13. Pipeline Relocations

(a) Where a gas plant unit is relocated, it shall be treated as plant unit retired and its book cost should be credited to the appropriate plant account

(b) Where a plant unit has been relocated, the relocated plant unit shall be considered as an addition and the cost should be debited to the appropriate plant account.

(c) Where a company's pipeline or any part thereof is located in accordance with an agreement that may require the company to relocate all or part of its pipeline and the circumstances are such that the company has no reasonable alternative but to relocate more than a plant unit of pipeline, the company may, with the approval of the Energy Regulator, debit the costs of relocation to expenses for the period in which the relocation was carried out.

14. Pipeline Replacements

(a) Where a plant unit of pipeline is replaced with other pipe in the same location, a company shall debit to the appropriate plant account the cost of opening and back filling the trench together with the cost of hauling, laying and connecting the pipe, the cost of removing retired pipe from the trench and other costs of pipeline construction.

(b) The cost of reconditioning pipeline not removed shall be accounted for as repairs and not as retirements or replacements.

(c) Where the plant unit of pipeline referred to in (a) is not replaced by new pipe in the same location, the cost of opening and back filling the trench from which the pipe is removed together with the cost of removing the pipe shall be accounted for as cost of rehabilitation.

1.6 Operating and Maintenance Expense Instructions

1. Operating & Maintenance Activities.

The cost of operation and maintenance chargeable to the various operating expense and clearing accounts includes labour, materials, overheads and other expenses incurred in operating and maintenance work.

The cost of repairs recorded in the maintenance accounts for gas plant shall include:-

(a) the cost of inspection to determine the repairs that are necessary;

(b) the cost of adjusting, repairing or replacing parts; and

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(c) the cost of inspection, testing and running of parts to determine whether or not the repairs have been properly made and the repaired item is ready for service.

Maintenance accounts kept as prescribed herein should be debited with the costs of repairing and maintaining plant and shall include:-

(a) incidental costs including the construction and removal of false work in connection with maintenance;

(b) the cost of relocating pipeline plant where retirement accounting for units of plant is not involved;

(c) the cost of raising or lowering line pipe in the trench where retirement accounting for units of plant is not involved;

(d) the cost of repairing fences, sidewalks, driveways and streets within or adjacent to the plant;

(e) the cost of installing, maintaining and removing temporary facilities to prevent any interruptions in operations;

Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

2. Supervision and Engineering Activities

(a) The supervision and engineering recorded in the operating expense accounts shall consist of the pay and expenses of superintendents, engineers, clerks, other employees and consultants engaged in supervising and directing the operation and maintenance of each function.

(b) Wherever allocations are necessary in order to arrive at the amount to be included in any account, the fully allocated cost approach should be used and this basis of allocation should be reflected in the underlying records.

3. Depreciation

(a) Unless otherwise approved by the Energy Regulator, a licensee should charge depreciation by using the straight-line method. The alternative depreciation methods that the Regulator may choose from in authorising an alternative method include:-

(i) the use or unit of production method;

(ii) the declining or diminishing value method; or

(iii) any other systematic method consistent with generally accepted accounting practices

(b) Monthly depreciation charges under the straight line method shall be computed by applying the annual percentage rate of depreciation to the depreciation base as of the first of each month and dividing the result by 12, or with the prior approval of the Energy Regulator,

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applying the annual percentage rate of depreciation to the depreciation base at the beginning of the company fiscal year and dividing the result by 12.

(c) An appropriate depreciation rate should be used in computing depreciation charges to reflect the different estimated useful life of the respective assets in each class of plant accounts, or each plant account, or each group of assets within a plant account.

(d) The depreciation rate should be based on the estimated service life of plant, as developed by a study of the company's history and experience (taking into account all relevant factors including variations in use, increasing obsolescence or inadequacy) and such engineering, economic or other depreciation studies and other information as may be available with respect to future operating conditions.

(e) Whenever a licensee makes a tariff application, it must provide the Energy Regulator with information on depreciation rates for each group of plant accounts, each plant account or each group of assets within a plant account, accompanied by a statement showing their basis and the methods employed in their computation.

4. Rents.

(a) The rent expense account, "Rents" shall include all rents, for property used in Licensee operations, except:-

(1) minor amounts paid for occasional or infrequent use of any property or equipment; and

(2) all amounts paid for use of equipment that, if owned, would be included in plant accounts, which shall be treated as an expense item and included in the appropriate functional account; and

(3) rents which are chargeable to clearing accounts, and distributed to the appropriate account. If rents cover property used for more than one function, or by more than one department, the rents shall be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, a fully allocated cost basis.

(b) When a portion of property or equipment rented from others for use in connection with Licensee operations is subleased, the revenue derived from such subleasing shall be credited to the account for "Miscellaneous revenue" - other.

(c) The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

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

5. Training Costs.

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

6. Labour, Benefits, Contractor Services and Other,

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

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2 Account Numbering and Groupings

2.1 The account numbering system

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

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

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

Classification by Activity

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

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

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

Classification by Category

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

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Note:

-Detailed Plant Accounts (300-399) flow into Account 101 Plant in Service.

-Detailed Operating Revenue Accounts (500-599) flow into Account 451 Operating Revenues

-Detailed Operating Expense Account (600-699) flow into Account 452 Operating & Maintenance Account

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

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

3 Balance Sheet Chart of Accounts

3.1 ASSETS AND OTHER DEBITS

Current Assets

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

Deferred Debits

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

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147	Other Deferred Debits
148	Accumulated Future Income Taxes

Non-Current Assets

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

Other Non-Current Assets & Investments

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

3.2 LIABILITIES AND OTHER CREDITS

Current Liabilities

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

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

Deferred Credits

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

Non-Current Liabilities

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

Owners' Equity

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

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4 Gas Plant Accounts

4.1 Intangible Plant

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

4.2 Transmission Plant

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

4.3 Storage Plant

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

4.4 Distribution Plant

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

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

4.5 Trading Plant

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

4.6 Liquefaction Plant

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

etc – TO BE DRAFTED AS MODUS OPERANDI BECOMES KNOWN

4.7 Re-gasification Plant

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

4.8 General Plant

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

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

4.9 Transmission Plant Accumulated Depreciation

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

4.10 Storage Plant Accumulated Depreciation

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

4.11 Distribution Plant Accumulated Depreciation

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

4.11 Trading Plant Accumulated Depreciation

24.090.305.002	Buildings, fixtures and improvements
24.090.330.002	Meters

4.12 Liquefaction Plant Accumulated Depreciation

25.GGG.305.002	Buildings, fixtures and improvements

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25.GGG.319.002	Compressor Equipment
25.GGG.320.002	Measuring and Regulating Equipment
25.GGG.331.002	Other liquefaction equipment

4.13 Re-gasification Plant Accumulated Depreciation

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

4.14 General Plant Accumulated Depreciation

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

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5 Income Statement Chart of Accounts

5.1	**Operating Revenue & Expenses**
451	Operating Revenues - Accounts 500 to 599
452	Operating and Maintenance Expense - Accounts 600 to 699
452	Depreciation
454	Amortization
455	Regulatory Debits
456	Regulatory Credits
457	Taxes other than Income Taxes, Licensed Operating Income
458	Income Taxes, Licensed Operating Income
459	Provision for Future Income Taxes
461	Revenue from Gas Plant Leased to Others
462	Expense for Gas Plant Leased from Others
5.2	**Other Income and Deductions**
A. Other Income	
463	Revenue from Other Plant
464	Expense from Other Plant
467	Income from Investments/Interest, Dividend and Other Income
468	Share of Earnings of Affiliated Companies
469.001	Gain on Foreign Exchange
469.002	Loss on Foreign Exchange
470	Other Income
471	Allowance for Funds Used During Construction (Credit)
B. Other Income Deductions	
472	Other Deductions
472.001	Donations
472.002	Life Insurance
472.003	Penalties
472.004	Expenditures for Certain Civic, Political and Related Activities
472.005	Other Deductions
5.3	**Interest Charges**
473	Interest on Long-Term Debt
474	Amortization of Debt Discount, Premium Expenses
475	Interest on Debt Due to Affiliated Companies
476	Short-Term Interest, Bank Charges and Other Interest Expense
5.4	**Extraordinary Items**

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

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6 Operating Revenue Accounts

6.1 Revenue for Services - Transmission

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

6.2 Revenue for Services - Storage

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

6.3 Liquefaction Revenues

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

6.4 Re-gasification Revenues

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

6.5 Revenue for Services - Distribution

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

6.6 Trading in Gas/Gas Sales Revenue

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

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

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

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

6.7 Other Operating Revenues

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

Cost of Sales Items Included in Operating and Maintenance Accounts:

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

7 Operating and Maintenance (O&M) Expenses Accounts

7.1 Transmission O&M Expenses

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

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7.2 Storage O&M Expenses

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

7.3 Distribution O&M Expenses

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

7.3 Gas Trading/Gas Supply O&M Expenses

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

7.4 Liquefaction O&M Expenses

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

7.5 Re-gasification O&M Expenses

601 Supervision
606 Decompression/Compressor

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

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

8 Customer Service, Sales, General & Admin Accounts

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

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

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

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9 Text Pertaining to Current Assets Accounts

100 Cash and Cash Equivalents

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

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

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

110 Accounts Receivable

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

110.001 Trade Accounts Receivable--Network

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

110.002 Trade Accounts Receivable--Residential

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

110.003 Trade Accounts Receivable--Commercial and Industrial

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

110.004 Accounts Receivable--Other

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

110.005 Accounts receivable from affiliated companies

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

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

115 Accumulated Provision for Doubtful Debts

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

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

(1) Regulated activity by customer class as appropriate.

(2) Officers and employees.

(3) Others

119 Interest and Dividends Receivable

This account should record:

(a) the amount of interest accrued to the date of the balance sheet on bonds owned,

(b) the amount of interest accrued to the date of the balance sheet on loans made, and

(c) the amounts of dividends declared on shares owned,

except where the interest or dividend receivable is from an affiliated company.

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

120 Inventory

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

120.001 Plant Materials and Operating Supplies

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

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

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120.002 Other Material and Supplies

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

120.003 Gas Stored–Available for Sale

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

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

120.004 Transmission Line Pack Gas

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

125 Prepayments

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

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

135 Other Current Assets

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

Deferred Debits

140 Unamortized Debt Discount and Expense

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

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

141 Unamortised Preference Share Expenses

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

142 Preliminary Survey and Investigation Charges

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

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

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

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

145 Regulatory Assets

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

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

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

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

147 Other Deferred Debits

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

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

148 Accumulated Future Income Taxes

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

10 Text Pertaining to Non-Current Assets Accounts

171.001 Gas Plant in Service

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

172.001 Gas Plant under Capital Leases

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

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

Records should be maintained with respect to each capital lease reflecting:
(1) name of lessor, (2) basic details of lease, (3) terminal date, (4) original cost or fair market value of property leased, (5) future minimum lease payments, (6) executory costs, (7) present

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

174.001 Gas Plant Leased to Others

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

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

175.001 Gas Plant Held for Future Use

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

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

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

176.001 Gas Plant acquisition Adjustment

This account should record the difference between:

(1) The cost to the accounting licensee of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and

(2) The original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting licensee at the time of acquisition to accumulated provisions for Depreciation and Amortization and contributions in aid of construction with respect to such property.

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

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

177.001 Gross Value of Contributions and Grants-Credit

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

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

178 Experimental Gas Plant - Unclassified

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

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

179 Gas Plant under Construction

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

(a) the cost of land acquired for such projects;

(b) unapplied construction materials and supplies;

(c) taxes during construction; and

(d) other elements of construction cost.

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

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

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Accumulated Depreciation – Gas Plant

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

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

171.002 Accumulated Depreciation--Gas Plant in Service

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

172.002 Accumulated Depreciation—Gas Plant under Capital leases

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

174.002 Accumulated Depreciation--Gas Plant Leased to Others

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

175.002 Accumulated Depreciation–Gas Plant Held for Future Use

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

176.002 Accumulated Amortization–Gas Plant Acquisition Adjustment

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

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

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

Other Non-Current Assets & Investments

190.001 Other Plant (unregulated activity PPE)

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

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

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

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

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

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

191 Other Plant under Construction

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

192 Investment in Affiliated Companies

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

This account should be maintained in such a manner as to show separately for each affiliate:
(1) the cost of such investments in the securities of the affiliate at the time of acquisition;
(2) the amount of equity in the affiliate's undistributed net earnings or net losses since acquisition;

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

193 Other Investments/securities

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

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

195 Intangible Assets

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

195.001 Goodwill

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

195.002 Other Intangible Assets

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

11 Text Pertaining to Current Liabilities & Deferred Credits

Current Liabilities

200 Bank Overdraft

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

205 Accounts Payable

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

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accounting period; Accruals for wages and salaries including source deductions and employee benefits that are unpaid at the end of the accounting period; Amounts for goods and services that have been received by the licensee but invoices have not been received at the end of the accounting period.

206 Account Payable to Affiliated Companies

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

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

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

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

212 Obligations under Capital Leases – Current Portion

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

216 Interest Payable and Accrued

This account shall be credited with interest due or accrued on

(a) notes payable,

(b) bank overdrafts and loans, and

(c) long-term debt and other obligations,

other than such interest payable to affiliated companies.

219 Customer deposits

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

219.001 Customer Deposits—Network

219.001 Customer Deposits—Residential

219.001 Customer Deposits---Commercial and Industrial

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230 Accrued Income Taxes Payable

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

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

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

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

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

220 Dividends Payable

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

235 Other Current Liabilities

This account should record the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability. And example of items to record in this account is the taxes collected through payroll deductions or otherwise pending transmittal to the proper taxing authority.

Deferred Credits

238 Unamortized Debt Premium and Expenses

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

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

239 Gross Value of Contributions, Grants/Customer Advances for Construction

This account should record non-refundable contributions or grants in cash, services or property from governments or government agencies, corporations, individuals and others for contributions in aid of construction.

This account shall be maintained in a manner that will furnish complete information respecting the purpose of each contribution or grant.

240 Regulatory liabilities

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

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

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

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

The records supporting the entries to this account should be so kept that the licensee 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.

241 Other deferred credits

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

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12 Text Pertaining to Non-Current Liabilities Accounts

12.1 Non-Current Liabilities

245 Provision for Pension and Benefits

This account should record the credit balances representing the liability of the company for amounts contributed by employees and by the company through debits to expenses for (i) pensions, (ii) accident and death benefits, (iii) savings, (iv) relief, and (v) hospital or other provident purposes; and the credit balances representing the liability of the company for amounts provided by debits to expenses in respect of deferred compensation under an employees' profit-sharing plan.

Separate sub-accounts should be kept for each kind of reserve created herein.

Disbursements should be debited to this account and any excess of such disbursements over the amounts appropriated should be transferred to account for Injuries and Damages or to the account for Employee Benefits, as applicable.

255 Long-Term Debt--Bonds and other Long-term Debt

This account should record in a separate sub-account for each class and series of bonds the face value of the actually issued and un-matured bonds which have not been retired or cancelled; also the face value of such bonds issued by others the payment of which has been assumed by the licensee, as well as, until maturity, all long-term debt not otherwise provided for.

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

256 Long-Term Debt--Advances from Affiliated Companies

This account should record the long-term portion of notes and other payables, to affiliated companies not otherwise provided for and the amount of open book accounts representing advances from affiliated companies. The current portion of which should not be recorded in this account, but should be recorded in the account for, Accounts payable to affiliated companies

The records supporting the entries to this account should be so kept that the licensee can furnish complete information concerning each note and open account.

265 Other Non-Current Liabilities

This account is the rolled up sum of the amounts recorded in the following sub-accounts:-

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265.001 Obligations under capital lease--non current

This account should record the portion not due within one year, of the obligations recorded for the amounts applicable to leased property recorded as assets in the account for "Property under capital leases" or account for "Non-regulated property".

265.002 Accumulated provision for self insurance

This account should record amounts reserved by the licensee for losses through accident, fire, flood, or other hazards to its own property or property leased from others, and for losses for bodily injury and property damage to third parties, not covered by insurance. The amounts charged to the account for "Injuries and damages", or other appropriate accounts to cover such risks should be credited to this account. A schedule of risks covered should be maintained, giving a description of the property involved, the character of the risks covered and the rates used. This account should be debited by amounts actually incurred by the licensee for the losses noted above.

Charges should be made to this account for losses covered. Details of these charges should be maintained according to the year the casualty occurred which gave rise to the loss.

All claims charged to this account will be subject to scrutiny by the Energy Regulator and interested parties and the onus will be on the licensee to justify that customers should bear the costs.

265.003 Asset retirement obligations

This account should record the amount of liabilities for the recognition of asset retirement obligations related to Piped-gas plant and non-regulated plant that gives rise to the obligations. This account should be credited for the amount of the liabilities for asset retirement obligations with amounts charged to the appropriate regulated plant accounts or non-regulated plant account to record the related asset retirement costs.

The licensee should charge the accretion expense to the account for "Accretion expense" from asset retirement obligation, for regulated plant, the account for "Expenses of gas plant leased to others", for Gas plant leased to others, as appropriate, and credit the account for "Asset retirement obligations".

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

The licensee should clear from this account any gains or losses resulting from the settlement of asset retirement obligations in accordance relevant instructions prescribed by the Energy Regulator.

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12.2 Owners' Equity

275 Equity Issued

This account should record the rolled up sum from the following sub-accounts:-

275.001 Ordinary shares issued

This account should record the stated or assigned value of common shares of each class issued.

When capital stock is retired, this account should be charged with the amount at which such stock is carried herein.

A separate ledger account should be maintained for each class and series of common shares. The supporting records should show the shares nominally issued, actually issued, and nominally outstanding.

275.005 Preference shares issued

This account should record the stated or assigned value of preference shares of each class issued.

When capital stock is retired, these accounts should be charged with the amount at which such stock is carried herein.

A separate ledger account, with a descriptive title, should be maintained for each class and series of stock. The supporting records should show the shares nominally issued, actually issued, and nominally outstanding.

285 Reserves including revaluation reserves

This account should record all operating reserves and provisions maintained by the licensee not provided for elsewhere, maintained in such a manner as to show the amount of each separate reserve and the nature of amounts of the debits and credits thereto

290 Retained Earnings

This account should record the balances, either debit or credit, of Retained Earnings arising from earnings of the licensee. This account should be debited with any dividends declared, payable or paid by the licensee.

This account should exclude any amounts representing the undistributed earnings of subsidiary companies.

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13 Text Pertaining to Detailed Gas Plant Accounts

13.1 Intangible Plant

301 Incorporation and organizational start-up

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

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

302 Franchises and consents

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

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

303 Miscellaneous intangible plant

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

13.2 Transmission Plant

21.080.304.001 Land

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

21.080.304.004 Land rights

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

21.080.305.001 Compressor Buildings, fixtures and improvements

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

21.080.316.001 Measuring and Regulating Structures and Improvements

This account should record the cost of structures, related facilities and improvements used in connection with the measuring and regulating function of Piped-gas transmission operations.

21.080.317.001 Other Structures and Improvements

This account should record the cost of structures and related facilities used in Piped-gas transmission operations not provided for elsewhere.

21.080.318.001 Mains

This account should record the cost of installed line pipe and line pipe fittings laid in the construction of Piped-gas transmission lines between the discharge valve of a station and the suction valve of the next station, including pipe from receiving meters to delivery meters.

This account should also record the cost of re-opening the trench and back-filling, subsequent to the original construction, for the purpose of applying the original protection and casing.

21.080.319.001 Compressor Equipment

This account should record the cost of compressors and associated equipment used in connection with gas transmission operations.

21.080.320.001 Measuring and Regulating Equipment

This account should record the cost of meters, gauges and other equipment used in measuring or regulating gas in connection with gas transmission operations.

21.080.321.001 Communication Structures and Equipment

This account should record the cost of telephone, radio, mobile communications and other communication structures and equipment used wholly or solely in connection with gas transmission operations.

21.080.322.001 Other Transmission Equipment

This account should record the cost of equipment used in gas transmission operations and not provided for elsewhere.

21.080.326 Base Pressure Gas

This account should record gas in transmission that is required as a base pressure for the operation of transmission areas, valued at average cost on a consistent basis.

13.3 Storage Plant

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22.080.304.001 Land

This account should record the cost of land used in connection with Piped-gas storage operations.

22.080.304.004 Land rights

This account should record the cost of land rights used in connection with Piped-gas storage operations.

22.080.305.001 Storage Buildings, fixtures and improvements

This account should record the cost of structures, improvements and related facilities used in connection with the storage function of Piped-gas operations, and the cost of clearing, levelling or grading land both before and after construction of these structures or facilities.

22.080.319.001 Compressor Equipment

This account should record the cost of compressor equipment used to deliver gas to storage or to withdraw gas from storage for delivery to the transmission or distribution system.

22.080.320.001 Measuring and Regulating Equipment

This account should record the cost of meters, gauges and other equipment used in measuring or regulating deliveries of gas to underground storage and withdrawals of gas from underground storage.

22.080.323.001 Wells and Gas-Holders-Storage

This account should record the cost of wells used for injection and withdrawal of gas from storage as well as record the cost of gas-holders used in the storage of gas.

22.080.324.001 Wells and Gas-Holders-Storage Equipment

This account should record the cost of equipment, in or at wells, used for injection and withdrawal of gas from storage as well as equipment associated with gas-holders storage.

22.080.325.001 Field Lines

This account should record the costs of installed pipelines used in conveying gas from the point of connection with gathering or transmission lines to storage wells and from storage wells to the point where the gas enters the transmission or distribution system.

22.080.326 Base Pressure Gas

This account should record gas in storage that is required as a base pressure for the operation of storage areas, valued at average cost on a consistent basis.

22.080.327.001 Other Gas Storage Equipment

This account should record the cost of equipment used in connection with storage of gas and not provided for elsewhere in the accounts prescribed herein.

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13.4 Distribution Plant

23.080.304.001 Land

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

23.080.304.004 Land rights

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

23.080.305.001 Storage Buildings, fixtures and improvements

This account should record the cost of structures, improvements and related facilities used in connection with the distribution function of Piped-gas operations.

23.080.318.001 Mains

This account should record the installed cost of distribution system mains from the transmission line to customer service lines.

23.080.319.001 Compressor Equipment

This account should record the cost of compressors and associated equipment, including NGV compressor equipment and associated refuelling equipment, used for distribution operations.

23.080.320.001 Measuring and Regulating Equipment

This account should record the cost of meters, gauges, regulators and associated equipment used for measuring or regulating gas for distribution operations.

Note: The cost of meters for measuring gas delivered to customers should be recorded in the account for "Meters".

23.080.326 Base Pressure Gas

This account should record gas in distribution that is required as a base pressure for the operation of distribution areas, valued at average cost on a consistent basis.

23.080.328.001 Services

This account should record the cost of installed service pipes, from the point at which the main is tapped to and including the meter shut off stop, whether inside or outside of the customers' premises. This includes also such service pipes paid for by the customer but for which the licensee has assumed full responsibility for the maintenance and replacement of such facilities.

Services that have been used, but have become inactive, shall be retired from plant in service immediately if there is no prospect for re-use, and, in any event, shall be transferred from this

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account and control account for "Gas Plant in Service", to the account for "Gas Plant Held For Future Use".

The company should maintain records to show separately the number and average length of services of each diameter and material, the book cost of which is included in this account; those through which gas is being delivered; those that have been used but that are inactive; and those to which no meters are attached.

23.080.329.001 Regulators and Meter Installations

This account should record the cost of regulators whether actually installed or held in reserve, as well as, record the cost of labour and materials used, and expenses incurred in the original installation of regulators and meters. For accounting convenience, the cost of the regulator and meter and the installation costs may be transferred annually to the account for "Services".

23.080.330.001 Meters

This account should record the cost of meters or devices for use in measuring the quantity of gas delivered to customers, whether actually in service or held in reserve.

The records covering meters should be maintained so that the licensee 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.

23.080.331.001 Other Distribution equipment

This account should record the cost of all other installed distribution system equipment provided for elsewhere herein.

13.5 Trading Plant

24.090.304.001 Land

This account should record the cost of land used in connection with Piped-gas trading operations.

24.090.304.004 Land rights

This account should record the cost of land rights used in connection with Piped-gas trading operations.

24.090.305.001 Storage Buildings, fixtures and improvements

This account should record the cost of structures, improvements and related facilities used in connection with the trading function of Piped-gas operations.

24.090.318.001 Mains

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This account should record the installed cost of mains used for gas trading operations that are not otherwise included in transmission or storage or distribution operations.

24.090.319.001 Compressor Equipment

This account should record the cost of compressors and associated equipment, for gas trading operations that are not otherwise included in transmission or storage or distribution operations.

24.090.320.001 Measuring and Regulating Equipment

This account should record the cost of meters, gauges, regulators and associated equipment used for measuring or regulating gas for gas trading operations, that are not otherwise included in transmission or storage or distribution operations.

24.090.328.001 Services

This account should record the cost of installed service pipes used for gas trading operations that are not otherwise included in transmission or storage or distribution operations. This includes also such service pipes paid for by the customer but for which the licensee has assumed full responsibility for the maintenance and replacement of such facilities.

Services that have been used, but have become inactive, shall be retired from plant in service immediately if there is no prospect for re-use, and, in any event, shall be transferred from this account and control account for "Gas Plant in Service", to the account for, "Gas Plant Held For Future Use".

The company should maintain records to show separately the number and average length of services of each diameter and material, the book cost of which is included in this account; those through which gas is being delivered; those that have been used but that are inactive; and those to which no meters are attached.

24.090.329.001 Regulators and Meter Installations

This account should record the cost of regulators whether actually installed or held in reserve, used for gas trading operations that are not otherwise included in transmission or storage or distribution operations. This account should also include records of the cost of labour and materials used, and expenses incurred in the original installation of regulators and meters for gas trading operations. For accounting convenience, the cost of the regulator and meter and the installation costs may be transferred annually to the account for "Services".

24.090.330.001 Meters

This account should record the cost of meters or devices for use in measuring the quantity of gas delivered to customers, whether actually in service or held in reserve, for gas trading

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operations that are not otherwise included in transmission or storage or distribution operations.

The records covering meters should be maintained so that the licensee 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.

24.090.331.001 Other Gas Trading equipment

This account should record the cost of all other installed equipment used for gas trading operations that are not otherwise included in transmission or storage or distribution operations and provided for elsewhere.

13.6 Liquefaction Plant

25.GGG.304.001 Land

This account should record the cost of land used in connection with Piped-gas liquefaction operations.

25.GGG.304.004 Land rights

This account should record the cost of land rights used in connection with Piped-gas liquefaction operations.

25.GGG.305.001 Storage Buildings, fixtures and improvements

This account should record the cost of structures, improvements and related facilities used in connection with the liquefaction function of Piped-gas operations.

25.GGG.319.001 Compressor Equipment

This account should record the cost of compressors and associated equipment, for liquefaction operations.

25.GGG.320.001 Measuring and Regulating Equipment

This account should record the cost of meters, gauges, regulators and associated equipment used for measuring or regulating gas for liquefaction operations.

25.GGG.326 Base Pressure Gas

This account should record gas in liquefaction that is required as a base pressure for the operation of liquefaction areas, valued at average cost on a consistent basis.

25.GGG.331.001 Other liquefaction equipment

This account should record the cost of equipment used in gas liquefaction operations and not provided for elsewhere

13.7 Re-gasification Plant

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26.GGG.304.001 Land

This account should record the cost of land used in connection with Piped-gas re-gasification operations.

26.GGG.304.004 Land rights

This account should record the cost of land rights used in connection with Piped-gas re-gasification operations.

26.GGG.305.001 Storage Buildings, fixtures and improvements

This account should record the cost of structures, improvements and related facilities used in connection with the re-gasification function of Piped-gas operations.

26.GGG.319.001 Decompression/Compressor Equipment

This account should record the cost of compressors and associated equipment, for re-gasification operations.

26.GGG.320.001 Measuring and Regulating Equipment

This account should record the cost of meters, gauges, regulators and associated equipment used for measuring or regulating gas for re-gasification operations.

26.GGG.326 Base Pressure Gas

This account should record gas in re-gasification that is required as a base pressure for the operation of re-gasification areas, valued at average cost on a consistent basis.

26.GGG.331.001 Other re-gasification equipment

This account should record the cost of equipment used in gas re-gasification operations and not provided for elsewhere

13.8 General Plant

27. GGG.304.001 Land

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

27. GGG.304.004 Land Rights

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

27. GGG.305.001 Buildings, Fixtures and Improvements

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This account should record the cost of buildings, fixtures and improvements used for Piped-gas purposes, the cost of which cannot be properly included in other buildings, fixtures and improvements accounts.

27. GGG.330.001 Office Furniture and Equipment

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

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

27. GGG.331.001 Computer Hardware and Voice & Data Network Equipment

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

This account should be subdivided as deemed appropriate

27. GGG.331.003 Computer Software and Applications

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

This account should be subdivided as deemed appropriate.

27. GGG.332.001 Transportation Equipment, Fleet Vehicles

This account should record the cost of fleet vehicles generally used in connection with Piped-gas operations.

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

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

27. GGG.333.001 Tools and Work Equipment

This should record:-

(a) the cost of tools and other items of equipment that are used in the construction, operation or maintenance of the gas pipeline system and that are not included in the account for Heavy Work Equipment;

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(b) the cost of garage equipment; and

(c) the cost of large equipment of a non-movable nature.

27. GGG.335.001 Heavy Equipment/Power Operated Equipment

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

27. GGG.336.001 Mobile Communication Structures and Equipment

This account should record the cost of mobile and wireless equipment for general use in connection with Piped-gas operations.

27. GGG.337.001 Other Equipment

This account should record cost of equipment, apparatus, etc., used in the Piped-gas operations, not provided for elsewhere herein.

Examples include miscellaneous equipment items such as:-

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

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

27.GGG.339.001 Equipment of Customers' Premises

This account should record the cost, including delivery, installation and inspection, of rental equipment owned by the regulated entity installed on customers' premises that is not includible in other accounts.

14 Text Pertaining to Accumulated Depreciation Accounts

14.1 Transmission Plant Accumulated Depreciation

These accounts should be credited with the amounts charged to the Depreciation expense account, for current depreciation expense for transmission plant in service. The records should be maintained with separate sub-account for each asset class as follows:-

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21.080.305.002	Buildings, fixtures and improvements
21.080.305.005	Leasehold improvements
21.080.306.002	Products Storage Equipment
21.080.307.002	Pipelines
21.080.315.002	Compressor Structures and Improvements
21.080.316.002	Measuring and Regulating Structures and Improvements
21.080.317.002	Other Structures and Improvements
21.080.318.002	Mains
21.080.319.002	Compressor Equipment
21.080.320.002	Measuring and Regulating Equipment
21.080.321.002	Communication Structures and Equipment
21.080.322.002	Other Transmission Equipment

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

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

14.2 Storage Plant Accumulated Depreciation

These accounts should be credited with the amounts charged to the Depreciation expense account, for current depreciation expense for storage plant in service. The records should be maintained with separate sub-account for each asset class as follows:-

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

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

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

14.3 Distribution Plant Accumulated Depreciation

These accounts should be credited with the amounts charged to the Depreciation expense account, for current depreciation expense for distribution plant in service. The records should be maintained with separate sub-account for each asset class as follows:-

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

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

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

14.4 Trading Plant Accumulated Depreciation

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These accounts should be credited with the amounts charged to the Depreciation expense account, for current depreciation expense for trading plant in service. The records should be maintained with separate sub-account for each asset class as follows:-

24.090.305.002	Buildings, fixtures and improvements
24.090.318.002	Mains
24.090.319.002	Compressor Equipment
24.090.320.002	Measuring and Regulating Equipment
24.090.328.002	Services
24.090.329.002	Regulators and Meter Installations
24.090.330.002	Meters
24.090.331.002	Other Distribution equipment

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

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

14.5 Liquefaction Plant Accumulated Depreciation

These accounts should be credited with the amounts charged to the Depreciation expense account, for current depreciation expense for liquefaction plant in service. The records should be maintained with separate sub-account for each asset class as follows:-

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

14.6 Re-gasification Plant Accumulated Depreciation

These accounts should be credited with the amounts charged to the Depreciation expense account, for current depreciation expense for transmission plant in service. The records should be maintained with separate sub-account for each asset class as follows:-

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26.GGG.305.002	Buildings, fixtures and improvements
26.GGG.319.002	Compressor Equipment
26.GGG.320.002	Measuring and Regulating Equipment
26.GGG.331.002	Other re-gasification equipment

14.7 General Plant Accumulated Depreciation

These accounts should be credited with the amounts charged to the Depreciation expense account, for current depreciation expense for general plant in service. The records should be maintained with separate sub-account for each asset class as follows:-

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

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

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

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15 Text Pertaining to Income Statements Accounts

15.1 Operating Revenue

451 Operating Revenues – (Accounts 500 to 599)

This account should show the total revenues derived from operations that are recorded in the related accounts set out here as accounts 500 - 599 inclusive.

452 Operating and Maintenance Expense (Accounts 600 to 699)

This account should show the total operating and maintenance expenses that are recorded in the related accounts set out herein as accounts 600 - 699 inclusive.

452 Depreciation

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

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

454 Amortization of Gas Plant Acquisition Adjustment

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

455 Regulatory Debits

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

456 Regulatory Credits

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

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15 Text Pertaining to Income Statements Accounts

15.1 Operating Revenue

451 Operating Revenues – (Accounts 500 to 599)

This account should show the total revenues derived from operations that are recorded in the related accounts set out here as accounts 500 - 599 inclusive.

452 Operating and Maintenance Expense (Accounts 600 to 699)

This account should show the total operating and maintenance expenses that are recorded in the related accounts set out herein as accounts 600 - 699 inclusive.

452 Depreciation

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

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

454 Amortization of Gas Plant Acquisition Adjustment

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

455 Regulatory Debits

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

456 Regulatory Credits

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

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457 Taxes other than Income Taxes, Licensed Operating Income

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

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

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

458 Income Taxes, Regulated Activity Operating Income

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

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

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

459 Provision for Future Income Taxes, Regulated Activity Income

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

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

461 Revenue from Gas Plant Leased to Others

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

461.1 Expense for Gas Plant Leased to Others

This account should record the expenses attributable to such property leased to others. The detail of expenses should be kept or supported so as to show separately the following:

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

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

462 Expense for Gas Plant Leased from Others

This account should record expenses for gas plant that is leased by the company from others and that constitutes a distinct operating unit or system.

15.2 Other Income and Deductions

A. Other Income

463 Revenue from Other Plant and non-regulated operations

These accounts should record revenues applicable to operations which are non-regulated but nevertheless constitute a distinct operating activity of the licensee as a whole. It should reflect the total revenues from the operation of plant that is included in the account for "Other Plant".

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

464 Expense from Other Plant and non-regulated operations

These accounts should record expenses applicable to operations which are non-regulated but nevertheless constitute a distinct operating activity of the enterprise as a whole. It should also reflect the total expenses, but excluding taxes, arising from the operation of the plant included in the account for "Other Plant.

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

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

467 Income from Investments (Interest, Dividend and Other Income)

This account should record interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other

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companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

468 Share of Earnings of Affiliated Companies

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

469.001 Gain on Foreign Exchange

This account should record gains on foreign exchange during the reporting period, including realized gains as well as gains owing to the conversion to the South African Rand equivalent, on regulated assets and liabilities held in foreign currencies, in accordance with the provision of SA GAAP on accounting for such assets and liabilities.

469.002 Loss on Foreign Exchange

This account should record losses on foreign exchange during the reporting period, including realized losses as well as losses owing to the conversion to the Canadian dollar equivalent, on regulated assets and liabilities held in foreign currencies, in accordance with the provision of SA GAAP on accounting for such assets and liabilities.

470 Miscellaneous Income

This account should record all other income items not provided for elsewhere.

471 Allowance for Funds Used During Construction (Credit)

This account should record concurrent credits recorded in the account for "Allowance for Funds Used During Construction" for allowance for other funds used during construction, not to exceed amounts calculated in accordance with a formula prescribed the Energy Regulator

B. Other Income Deductions

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

472 Other Deductions

This account should show the sum rolled up from the following sub accounts:-

472.001 Donations

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

472.002 Life Insurance

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This account should record all payments for life insurance of officers and employees where the licensee is a beneficiary (net premiums less increase in cash surrender value of policies).

472.003 Penalties

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

472.004 Expenditures for Certain Civic, Political and Related Activities

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

472.005 Other Deductions

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

15.3 Interest Charges

473 Interest on Long-Term Debt

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

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

474 Amortization of Debt Discount, Premium Expenses

This account should be debited or credited, as applicable, during each period, with the proportion of the discount, premium and expense on long-term debt obligations as may be applicable to the period.

475 Interest on Debt Due to Affiliated Companies

This account should record the current accruals of interest of all classes of debt included in the account for Advances from Affiliated Companies or the account for Accounts Payable--Affiliated Companies.

476 Bank Charges, Short-Term Interest and Other Interest Expense

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

15.4 Extraordinary Items

481 Extraordinary Income/Deductions – Regulated Plant

This account should show the sum of the amounts rolled up from the following sub-accounts:-

481.001 Gains on Disposition of Regulated Plant

This account should record, as approved by the Energy Regulator, amounts relating to gains from the disposition of future use gas plant, including amounts which were previously recorded in and transferred from the account for "Gas plant held for future use". Income taxes relating to gains recorded in this account should be recorded in the account for "Income taxes, regulated activity operating income.

481.002 Losses on Disposition of Regulated Plant

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

482 Other Extraordinary Income/Deductions

This account should show the sum of the amounts rolled up from the following sub-accounts:-

482.001 Other Extraordinary Income

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

482.002 Other Extraordinary Deductions

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

15.5 Retained Earnings

485 Balance transferred from Income

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This account should show the debit or credit balances brought forward from the income accounts for the period.

486 Prior Period Adjustment

Unless otherwise directed by the Energy Regulator, the accounting regulated entity should record in this account all material adjustments to the income of prior reporting periods, and such adjustments should be conducted in accordance with SA GAAP.

489 Dividend Appropriations

This account should record the amount of dividends declared out of retained earnings during the year on all classes of outstanding shares.

Subsidiary records shall be maintained showing separately the dividends declared on each class of shares.

When dividends are paid in other than cash, complete details of each transaction should be maintained.

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16 Text Pertaining to Detailed Operating Revenue Accounts

16.1 Revenue for Services - Transmission

500 Transmission of Gas for Others – Domestic

This account should record revenue from the Piped-gas transmission of non-owned gas in the licensee's system for customers domiciled in South Africa.

501 Transmission of Gas for Others – Export

This account should record revenue from the Piped-gas transmission of non-owned gas in the licensee's system for customers domiciled outside South Africa.

502 Rent for Gas Plant

This account should record rent revenues from the use by others of assets included in the account for "Gas Plant in Service".

503 Miscellaneous Transmission Operating Revenues

This account should record revenues earned in consideration of the performance of exchange gas services; and other miscellaneous operating revenue not provided for elsewhere.

16.2 Revenue for Services - Storage

510. Storage of Gas for Others – Domestic

This account should record revenue from the Piped-gas storage of non-owned gas in the licensee's system for customers domiciled in South Africa.

511 Storage of Gas for Others – Export

This account should record revenue from the Piped-gas storage of non-owned gas in the licensee's system for customers domiciled outside South Africa.

512 Rent for Gas Plant

This account should record rent revenues from the use by others of assets included in the account for "Gas Plant in Service".

513 Miscellaneous Storage Operating Revenues

This account should record revenues earned in consideration of the performance of exchange gas services; and other miscellaneous operating revenue not provided for elsewhere.

16.3 Liquefaction Revenues

515 Gas Liquefaction for Others – Domestic

516 Gas Liquefaction for Others – Export

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16.4 Re-gasification Revenues

517 Re-gasification for Others – Domestic

518 Re-gasification for Others – Export

16.5 Revenue for Services - Distribution

520 Distribution of Gas for Others – Domestic

This account should record revenue from the Piped-gas distribution of non-owned gas in the licensee's system for customers domiciled in South Africa.

521 Distribution of Gas for Others – Export

This account should record revenue from the Piped-gas distribution of non-owned gas in the licensee's system for customers domiciled outside South Africa.

522 Rent of Gas Plant

This account should record rent revenues from the use by others of assets included in the account for "Gas Plant in Service".

523 Miscellaneous Distribution Operating Revenues

This account should record revenues earned in consideration of the performance of exchange gas services; and other miscellaneous operating revenue not provided for elsewhere.

16.6 Trading in Gas/Gas Sales Revenues

525 Gas Sales - In South Africa

This account should show the total sum rolled up from the following sub-accounts for gas sales to customers domiciled in South Africa:-

525.001 Residential Sales - Class 1

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Residential Sales-Class 1.

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

525.002 Residential Sales - Class 2

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Residential Sales-Class 2.

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

525.003 Residential Sales - Class 3

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Residential Sales-Class 3.

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

525.004 Residential Sales - Class 4

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Residential Sales-Class 4.

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

525.005 Residential Sales - Class 5

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Residential Sales-Class 5.

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

525.006 Residential Sales - Class 6

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Commercial and Industrial -Class 6.

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

525.007 Commercial and Industrial - Class 1

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Commercial and Industrial -Class 1.

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

525.008 Commercial and Industrial - Class 2

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Commercial and Industrial -Class 2.

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

525.009 Commercial and Industrial - Class 3

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Commercial and Industrial -Class 3.

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

525.010 Commercial and Industrial - Class 4

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Commercial and Industrial -Class 4.

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

525.011 Commercial and Industrial - Class 5

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Commercial and Industrial -Class 5.

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

525.012 Commercial and Industrial - Class 6

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers classified as Commercial and Industrial-Class 6.

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

525.013 Sales to Affiliates

This account should record gas sales to affiliates of the reporting entity as well as for own use.

525.014 Other Gas Sales

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers not provided for elsewhere herein.

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

526 Any Other Customers Under the Special Regulatory Dispensation:

This account should record gas sales to any other customers under the "Regulatory Agreement Between, The Minister of Mineral and Energy, The Minister of Trade and Industry and Sasol Limited, that would not have been adequately provided for and reported in any of the subaccounts under Account number 525, Gas Sales within South Africa.

This account should be subdivided into the subaccounts so as to separately record sales to each customer class.

527 Export Sales

This account should record revenues from the sale of natural gas, methane rich gas, and other products extracted from gas to Piped-gas regulated entities, other companies or customers domiciled outside South Africa

16.7 Other Operating Revenues

528 Late Payments Penalties

This account shall include revenue from additional charges imposed because of the customers' failure to pay their Piped-gas bills on or before a specified date designated in the billing.

529 Revenue from Service Work

This account should record revenue from service work billed to customers.

530 Rent from Regulated Entity's Equipment of Customers' Premises

This account should revenue from the rental of company-owned equipment on customers' premises.

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531 Miscellaneous Operating Revenue

This account record other miscellaneous operating revenue not provided for elsewhere.

17 Text Pertaining to Operating & Maintenance Expenses Accounts

Note: The following items herein grouped under Operating and Maintenance Costs may, as appropriate, be reported as Cost of Sales in the regulatory financial statements:-

(a) Discounts

(b) Gas Purchases

(c) Cost of Network Services – Transmission, Distribution or Storage

(d) Unaccounted for gas /Change in Stocks

(f) Other Network Fixed Charges

(e) Other Network Variable Charges

17.1 Transmission O&M Expenses

601 Supervision

This account should record the cost of labour, materials and supplies, and expenses incurred at an area, division, district or similar field office or a central warehouse in the general supervision and direction of the operation and maintenance of the transmission facilities.

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

601.01 Labour/Manpower

601.02 Materials and Supplies

601.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

602 Transportation of Gas by Others

This account should record the cost of transportation charges paid to others where such charges are separate and not included as part of the delivered price of gas.

603 Communication

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of facilities used in connection with the transmission communication system.

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

603.01 Labour/Manpower

603.02 Materials and Supplies

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603.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

604 Pipe Lines

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of transmission system pipe lines and facilities.

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

604.01 Labour/Manpower

604.02 Materials and Supplies

604.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

606 Compressor

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation & maintenance of transmission system compressor stations and facilities.

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

606.01 Labour/Manpower

606.02 Materials and Supplies

606.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

607 Measuring and Regulating

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of transmission system measuring and regulating stations and facilities.

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

607.01 Labour/Manpower

607.02 Materials and Supplies

607.03 Other Expenses

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The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

608 Other Transmission Operations and Maintenance

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of transmission system facilities not includible elsewhere.

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

608.01 Labour/Manpower
608.02 Materials and Supplies
608.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

17.2 Storage O&M Expenses

601 Supervision

This account should record the cost of labour, materials and supplies, and expenses incurred in the general supervision of operating and maintaining gas storage facilities.

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

601.01 Labour/Manpower
601.02 Materials and Supplies
601.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

606 Compressor

This account should record the cost of labour, supplies and expenses incurred in the operation and maintenance of storage system compressor stations and facilities.

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

606.01 Labour/Manpower
606.02 Materials and Supplies
606.03 Other Expenses

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The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

607 Measuring and Regulating

This account should record the cost of labour, supplies and expenses incurred in the operation and maintenance of storage system measuring and regulating facilities.

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

607.01 Labour/Manpower
607.02 Materials and Supplies
607.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

609 Non-Feasible Storage Project Costs

This account should record the cost of labour, materials and supplies, and expenses incurred in the investigation, exploration and development of underground gas storage projects that do not prove feasible.

The net cost of drilling non-operative wells for the purpose of outlining a storage area shall be charged to the account for "Land Rights".

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

609.01 Labour/Manpower
609.02 Materials and Supplies
609.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

Note: The cost of wells that may be drilled within a storage project for purposes of pressure observation should be included in the account for "Wells and Gas-Holders Storage".

610 Wells and Gas-Holders Storage

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This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of underground storage system wells and gas-holder storage facilities.

This account should record the cost of labour, materials and supplies, and expenses incurred in the investigation, exploration and development of underground gas storage projects that do not prove feasible.

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

610.01 Labour/Manpower
610.02 Materials and Supplies
610.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

611 Leases

This account should record the cost of storage leases and surface leases of gas storage facilities.

612 Unaccounted for Gas

This account should record the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in underground or gas-holder storage operations due to cumulative inaccuracies of gas measurement or other causes.

613 Field Line

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of underground or gas holder storage field lines and facilities.

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

613.01 Labour/Manpower
613.02 Materials and Supplies
613.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

614 Purification

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This account should record the cost of labour, materials and supplies, and expenses incurred in operating and maintaining equipment used for purifying, dehydrating and conditioning natural gas in underground or gas-holder storage operations.

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

614.01 Labour/Manpower

614.02 Materials and Supplies

614.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

615 Other Storage Operations and Maintenance

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of storage facilities not recorded elsewhere.

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

615.01 Labour/Manpower

615.02 Materials and Supplies

615.03 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

This account shall include in a separate sub-account the cost of labour, materials and supplies, and expenses incurred in the maintenance of structures and improvements for storage facilities.

17.3 Distribution O&M Expenses

601 Supervision

This account should record the cost of labour, materials and supplies, and expenses incurred in the general supervision of operating and maintaining the distribution facilities.

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

601.01 Labour/Manpower

601.02 Materials and Supplies

601.03 Other Expenses

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606 Compressor

This account should record the cost of labour, including contractor labour, if applicable, materials and supplies, and expenses incurred in the operation and maintenance of distribution system compressor stations and equipment.

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

606.01 Labour/Manpower

606.02 Materials and Supplies

606.03 Other Expenses

607 Measuring and Regulating

This account shall record the cost of labour, including contractor labour, if applicable, materials and supplies, and expenses incurred in the operation and maintenance of the distribution system measuring and regulating stations.

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

607.01 Labour/Manpower

607.02 Materials and Supplies

607.03 Other Expenses

615 Load Dispatching

This account should record the cost of labour, materials and supplies, and expenses incurred in dispatching and controlling the supply and flow of gas through the distribution system.

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

615.01 Labour/Manpower

615.02 Materials and Supplies

615.03 Other Expenses

616 Meter and Regulator Work

This account should record the cost of labour, including contractor labour, if applicable, materials and supplies, and expenses incurred in connection with removing, resetting, changing, testing, and servicing meters and regulators.

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

616.01 Labour/Manpower

616.02 Materials and Supplies

616.03 Other Expenses

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617 Service Work

This account should record the cost of labour, including contractor labour, if applicable, materials and supplies, and expenses incurred in work on customer premises other than expenses includible in Account No. 673, "Meter and Regulator Work". This account also shall include the cost of servicing customer-owned appliances when the cost of such work is borne by the licensee.

Damage to customer equipment by licensee employees during a job, whether incidental to the work or the result of negligence, shall be charged to that job.

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

617.01 Labour/Manpower

617.02 Materials and Supplies

617.03 Other Expenses

618 Mains and Services

This account should record the cost of labour, including contractor labour, if applicable, materials and supplies, and expenses incurred in the operation and maintenance of distribution system mains and services.

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

618.01 Labour/Manpower

618.02 Materials and Supplies

618.03 Other Expenses

619 Other Distribution Operations and Maintenance

This account should record the cost of labour, including contractor labour, if applicable, materials and supplies, and expenses incurred in the operation of other distribution facilities not includible elsewhere.

It should also record in a separate sub-account the cost of (a) maintenance of equipment at customer's premises (b) structures and improvements used for the distribution system.

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

619.01 Labour/Manpower

619.02 Materials and Supplies

619.03 Other Expenses

17.3 Gas Trading/Gas Supply O&M Expenses

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620 Gas Purchases

This account should record the cost of all gas purchased by the licensee from its suppliers. It should also include gas purchased from customers under such arrangements as the "buy and sell" and from the licensee's own production facilities, as well as applicable taxes on all gas purchases.

Details of each source of supply shall be maintained, in subsidiary records, showing volumes and costs.

621 Gas Supply – Operation

This account should record the cost of labour, materials and supplies, and expenses incurred in the supervision and operation of the gas supply activities.

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

621.01 Labour/Manpower

621.02 Materials and Supplies

621.03 Other Expenses

622 Exchange Gas

This account should record debits or credits for the cost of gas in unbalanced exchange transactions whereby gas is received from another party and receipt and delivery of such gas is not completed during the accounting period. This accounting is not required for minor transactions.

If revenue is earned in consideration of the performance of exchange services, such revenue shall be recorded in the account for "Miscellaneous Operating Revenue".

623 Gas Withdrawn from Storage

This account should record the cost of gas withdrawn from storage during the year. These amounts should be concurrently credited to the account for "Gas in Storage--Available for Sale".

624 Gas Delivered to Storage (Credit)

This account should be credited with the cost of gas delivered to underground storage during the year. These amounts should be concurrently charged to the account for "Gas in Storage - Available for Sale".

625 Gas Used (Credit)

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This account should be credited with amounts that are concurrently charged to operating expense or other accounts in respect of gas used by the licensee for other than storage purposes.

Note: This account should be subdivided to separate gas used in construction and gas used for operations and other purposes.

17.4 Liquefaction O&M Expenses

601 Supervision

This account should record the cost of labour, materials and supplies, and expenses incurred in the general supervision and direction of the operation and maintenance of the liquefaction facilities.

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

601.001 Labour/Manpower
601.002 Materials and Supplies
601.003 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

606 Compressor

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation & maintenance of liquefaction compressor stations and facilities.

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

606.001 Labour/Manpower
606.002 Materials and Supplies
606.003 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

607 Measuring and Regulating

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of liquefaction measuring and regulating stations and facilities.

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

607.001 Labour/Manpower
607.002 Materials and Supplies
607.003 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

608 Other Liquefaction Operations and Maintenance

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of liquefaction facilities not includible elsewhere.

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

608.001 Labour/Manpower
608.002 Materials and Supplies
608.003 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

17.5 Re-gasification O&M Expenses

601 Supervision

This account should record the cost of labour, materials and supplies, and expenses incurred in the general supervision and direction of the operation and maintenance of the re-gasification facilities.

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

601.001 Labour/Manpower
601.002 Materials and Supplies
601.003 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

606 Decompression/Compressor

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This account should record the cost of labour, materials and supplies, and expenses incurred in the operation & maintenance of liquefaction decompression/compressor stations and facilities.

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

606.001 Labour/Manpower
606.002 Materials and Supplies
606.003 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

607 Measuring and Regulating

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of re-gasification measuring and regulating stations and facilities.

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

607.001 Labour/Manpower
607.002 Materials and Supplies
607.003 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

608 Other Re-gasification Operations and Maintenance

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of re-gasification facilities not includible elsewhere.

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

608.001 Labour/Manpower
608.002 Materials and Supplies
608.003 Other Expenses

The accounting regulated entity may also, if it so desires, create subcategories as separate between operation and maintenance expenses.

17.6 General O&M Expenses

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603 Communication

This account should record the cost of labour, materials and supplies, and expenses incurred in the operation and maintenance of the facilities used in connection with the general communication system.

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

603.01 Labour/Manpower
603.02 Materials and Supplies
603.03 Other Expenses

627 System Operation, Maintenance and Engineering

This account should record the cost of labour, materials and supplies, and expenses incurred at the licensee's general offices in the operation, maintenance and engineering of the gas system.

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

627.01 Labour/Manpower
627.02 Materials and Supplies
627.03 Other Expenses

628 Other General Operations and Maintenance

This account should record the cost of labour, materials and supplies, and expenses incurred in general Piped-gas operations and maintenance not includible elsewhere.

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

628.01 Labour/Manpower
628.02 Materials and Supplies
628.03 Other Expenses

629 General Operations and Maintenance Transferred (Credit)

This account should be credited with general Piped-gas operations costs transferred to other accounts, such as costs transferred to overhead during construction.

18 Text Pertaining to Customer Service, Sales, General & Admin

18.1 Sales and Marketing--Operation

635 Supervision

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This account should record the cost of labour, materials and supplies, and expenses incurred in the general direction and supervision of sales activities.

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

635.01 Labour/Manpower
635.02 Materials and Supplies
635.03 Other Expenses

636 Advertising - Natural Gas Promotion

This account should record the cost of labour, materials and supplies, and expenses incurred in advertising, which is designed to promote or retain the sale of gas. Costs of advertising for the sale of merchandise by the accounting entity should not be included in this account.

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

636.01 Labour/Manpower
636.02 Materials and Supplies
636.03 Other Expenses

Note A: The cost of publication of shareholders' reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate nature should be charged to the account for "Other Administrative and General Expenses".

Note B: The cost of advertising for personnel should be charged to the appropriate account.

637 Demonstration and Selling Expenses

This account should record the cost of labour, materials and supplies, and expenses incurred in demonstrating and promoting the use of natural gas.

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

637.01 Labour/Manpower
637.02 Materials and Supplies
637.03 Other Expenses

638 Expense (Revenue) From Merchandising, Jobbing and Contract Work

This account should record the cost of merchandise sold. In addition, it should record the cost of labour, including contractor labour, if applicable, materials and supplies, and expenses incurred in the selling of merchandise and of jobbing and contract work.

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The account should also record the Revenue from merchandising, jobbing and contract work

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

638.01 Labour/Manpower

638.02 Materials and Supplies

638.03 Other Expenses

640 Advertising - Other

This account should record the cost of labour, materials and supplies, and expenses incurred in advertising and promoting Piped-gas services, other than advertising included in the account for "Advertising - Natural Gas Promotion".

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

640.01 Labour/Manpower

640.02 Materials and Supplies

640.03 Other Expenses

641 Other Sales Promotion

This account should record the cost of labour, materials and supplies, and expenses incurred in connection with sales and marketing activities that are not includible elsewhere.

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

641.01 Labour/Manpower

641.02 Materials and Supplies

641.03 Other Expenses

18.2 Customer Accounting--Operation

645 Supervision

This account should record the cost of labour, materials and supplies, and expenses incurred in the supervision and direction of the customer accounting and collection activities.

Note A: Direct supervision of specific activities, such as customer contracts, credit collection, customer accounting, cashiers and meter reading should be charged to the appropriate account.

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

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645.01 Labour/Manpower
645.02 Materials and Supplies
645.03 Other Expenses

646 Customers' Contracts and Orders

This account should record the cost of labour, materials and supplies, and expenses incurred in work on customer applications and contracts.

This account should be subdivided into the following sub accounts as to keep track of cost of labour, consumables, other expenses, etc, separately.
646.01 Labour/Manpower
646.02 Materials and Supplies
646.03 Other Expenses

647 Meter Reading

This account should record the cost of labour, materials and supplies, and expenses incurred in reading customers' meters.

This account should be subdivided into the following sub accounts as to keep track of cost of labour, consumables, other expenses, etc, separately.
647.01 Labour/Manpower
647.02 Materials and Supplies
647.03 Other Expenses

648 Customers' Billing and Accounting

This account should record the cost of labour, materials and supplies, and expenses incurred in the licensee's customer accounting, customer billing and bill delivery functions.

This account should be subdivided into the following sub accounts as to keep track of cost of labour, consumables, other expenses, etc, separately.
648.01 Labour/Manpower
648.02 Materials and Supplies
648.03 Other Expenses

649 Credit and Collection

This account should record the cost of labour, materials and supplies, and expenses incurred in collecting overdue accounts, and investigating customer credit ratings and customer accounts.

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

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649.01 Labour/Manpower
649.02 Materials and Supplies
649.03 Other Expenses

650 Uncollectible Accounts

This account should be debited with the provision for bad debts that are potential losses on uncollectible accounts receivable. A corresponding credit shall be made to the account for Accumulated Provision For Doubtful Accounts, or Trade Accounts Receivable—Network, or Trade Accounts Receivable—Residential, or Trade Accounts Receivable--Commercial and Industrial or Accounts Receivable—Other, or Accounts receivable from affiliated companies, where applicable.

Note: This account should be subdivided to separate the provision for bad debts related to uncollectible Accounts Receivable as follows:-

650.001 Trade Accounts Receivable--Network
650.002 Trade Accounts Receivable—Residential
650.003 Trade Accounts Receivable--Commercial and Industrial
650.004 Accounts Receivable--Other
650.005 Accounts receivable from affiliated companies

651 Other Customer Accounting

This account should record the cost of labour, materials and supplies, and expenses incurred in customer accounting not includible elsewhere.

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

651.01 Labour/Manpower
651.02 Materials and Supplies
651.03 Other Expenses

18.3 Administrative and General -- Operation

655 Administrative Expenses

655.001 Administrative and general salaries

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

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

655.002 Office supplies and expenses

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

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

656 Special Services

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

657 Insurance

This account should record the cost of insurance premiums for insurance against any loss which may be sustained by the licensee.

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

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

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

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

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

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

NOTE D: Recoveries from insurance shall be credited to the account charged with the damage or loss. If damaged property has been retired, the credit shall be included in the appropriate accumulated depreciation account.

NOTE E: Where the company provides self insurance, the provision shall be debited to this account and concurrently credited to the account for Accumulate Provision for Self-Insurance"

NOTE F: Premiums for group, life, medical, hospital, accident and sickness insurance should not be included in this account but should be charged to the account for "Employee Benefits".

658 Injuries and Damages

This account should record the cost and reserve accruals to protect the licensee against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims. It should also record the cost of labour and related supplies and expenses incurred in injuries and damages activities.

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

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

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

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

NOTE D: The cost of labour and related supplies and expenses of administrative and general employees who are only incidentally engaged in injuries and damages activities may be

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included in the accounts for "Administrative and general salaries", and "Office supplies and expenses", as appropriate.

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

659 Employee Benefits

This account should record the cost of pension and benefit expense paid or contributed by the company towards all employee benefits. This account should also include expenses to provide pension benefits in respect of employee past or current services.

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

660 Other Administrative and General Expenses

660.1 Rents

This account should record rents properly includible in licensed activity operating expenses for the property of others used, occupied, or operated in connection with licensed operations other than head office rent.

660.2 Head office rent

This account should record rents properly includible in licensed activity operating expenses for the property of others used, occupied, or operated in connection with the head office.

660.3 IT G & A expense

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

660.4 Maintenance of general plant

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

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660.5 Energy Regulator expenses

This account should record all third party expenses and payments for fees assessed against the licensee for regulatory proceedings. Costs will include levies and expenses of the Energy Regulator provided for by the Gas Act and the Gas Regulations.

660.6 Miscellaneous expenses

This account should record all other general operating and maintenance expenses incurred in connection with the general management of the licensed activity not recorded elsewhere.

661 Administrative and General Expenses Transferred – Credit

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

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