



**THE ISLAND REGULATORY AND
APPEALS COMMISSION**

Prince Edward Island
Île-du-Prince-Édouard
CANADA

***Quick Reference
Guide***

**Uniform System of
Accounts for
Municipal Utilities**

2005

Quick Reference Guide

Uniform System of Accounts for Municipal Utilities

2005

Utility Accounting Procedures

This Guide is a quick reference to the Commission's
Uniform System of Accounts for Municipal Utilities manual.
It is not a substitute for the manual.

Readers are encouraged to consult the manual for specific
details on each account.

BALANCE SHEET ACCOUNTS

Current and Accrued Assets

Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations.

131. Cash

This account shall include the amount of cash on hand or on deposit in banks.

The following subaccounts shall be maintained:

131.1 Cash on Hand

131.2 Petty Cash

131.3 Bank

132. Special Deposits

This account shall include special deposits with fiscal agents or others for the payment of interest.

133. Other Special Deposits

This account shall include deposits with fiscal agents or others for purposes other than the payment of interest.

135. Temporary Cash Investments

This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, marketable securities, certificates of deposit and other similar investments, acquired for the purpose of temporarily investing cash.

141. Customer Accounts Receivable

This account shall include amounts due from customers for utility service. This account shall not include amounts due from associated parties.

142. Other Accounts Receivable

This account shall include amounts due the utility upon open accounts, plus merchandising, jobbing and contract work, other than amounts due from associated parties and from customers for utility services.

143. Accumulated Provision for Uncollectible Accounts--Cr

This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible and also with collections on accounts previously charged hereto.

151. Plant Materials and Supplies

This account shall include the cost of fuel on hand and materials purchased primarily for use in the utility business for construction, operation and maintenance purposes.

152. Materials Inventory

This account shall include the book cost of materials and supplies held primarily for merchandising, jobbing and contract work.

153. Other Materials and Supplies

This account shall include the book cost of materials and supplies held primarily for nonutility purposes.

162. Prepayments/Prepaid Expenses

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

172. Rents Receivable

This account shall include rents receivable or accrued on property rented or leased by the utility to others.

173. Accrued Utility Revenues

At the option of the utility, with approval of the Commission, the estimated amount accrued for service rendered, but not billed at the end of any accounting period, may be included herein.

174. Miscellaneous Current and Accrued Assets

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

Fixed Assets

WATER UTILITY PLANT ACCOUNTS

- 301. Organization
- 303. Land and Land Rights
- 304. Structures and Improvements
- 305. Collecting and Impounding Reservoirs
- 306. Lake, River and Other Intakes
- 307. Wells and Springs
- 308. Infiltration Galleries and Tunnels
- 309. Supply Mains
- 310. Power Generation Equipment
- 311. Pumping Equipment
- 320. Water Treatment Equipment
- 330. Distribution Reservoirs and Standpipes
- 331. Transmission and Distribution Mains
- 333. Services
- 334. Meters and Meter Installations
- 335. Hydrants
- 339. Other Plant and Miscellaneous Equipment
- 340. Office Furniture and Equipment
- 341. Transportation Equipment
- 342. Stores Equipment
- 343. Tools, Shop and Garage Equipment
- 344. Laboratory Equipment
- 345. Power Operated Equipment
- 346. Communication Equipment
- 347. Miscellaneous Equipment
- 348. Other Tangible Plant
- 349. Accumulated Depreciation

SEWER UTILITY PLANT ACCOUNTS

- 351. Organization
- 353. Land and Land Rights
- 354. Structures and Improvements
- 360. Collection Sewers
 - 360.1 Collection Sewers – Force
 - 360.2 Collection Sewers – Gravity
 - 360.2 Special Collecting Structures
- 363. Services to Customers
- 364. Flow Measuring Devices
- 365. Flow Measuring Installations
- 370. Receiving Wells
- 371. Pumping Equipment
- 380. Treatment and Disposal Equipment
- 381. Plant Sewers
- 382. Outfall Sewer Lines
- 389. Other Plant and Miscellaneous Equipment
- 390. Office Furniture and Equipment
- 391. Transportation Equipment
- 392. Stores Equipment
- 393. Tools, Shop and Garage Equipment
- 394. Laboratory Equipment
- 395. Power Operated Equipment
- 396. Communication Equipment
- 397. Miscellaneous Equipment
- 398. Other Tangible Plant
- 399. Accumulated Depreciation

Water Utility Plant Accounts

301. Organization

This account shall include all fees paid to federal or provincial governments for the privilege of organization and expenditures incident to organizing the utility and putting it into readiness to do business.

303. Land and Land Rights

This account shall include the cost of land and land rights used in connection with source of supply, pumping, water treatment plant, transmission and distribution and general plant operations.

304. Structures and Improvements

This account shall include cost in place of structures and improvements used in connection with source of supply, pumping, water treatment, transmission and distribution and general plant.

305. Collecting and Impounding Reservoirs

This account shall include the cost in place of structures and improvements used for impounding, collecting and storing water in the source of supply system.

306. Lake, River and Other Intakes

This account shall include the cost installed of lake, river and other intakes used as a source of water supply.

307. Wells and Springs

This account shall include the cost installed of wells and springs used as a source of water supply.

308. Infiltration Galleries and Tunnels

This account shall include the cost installed of infiltration galleries and tunnels used as a source of water supply.

309. Supply Mains

This account shall include the cost installed of supply mains, pipes, aqueducts and canals and their appurtenances.

310. Power Generation Equipment

This account shall include the cost installed of any equipment used for the production of power principally used in pumping operations.

311. Pumping Equipment

This account shall include the cost of pumping equipment driven by electric power, diesel engines, steam engines and hydraulic water wheels and turbines. A sample of items to be included in this account is listed in the accounting manual.

320. Water Treatment Equipment

This account shall include the cost installed of apparatus, equipment and other facilities used for the treatment of water. A sample of items to be included in this account is listed in the accounting manual.

330. Distribution Reservoirs and Standpipes

This account shall include the cost in place of reservoirs, tanks, standpipes and appurtenances used in storing water for distribution. A sample of items to be included in this account is listed in the accounting manual.

331. Transmission and Distribution Mains

This account shall include the cost installed of transmission and distribution mains and appurtenances. A sample of items to be included in this account is listed in the accounting manual.

333. Services

This account shall include the cost installed of service pipes and accessories leading to the customers' premises.

334. Meters and Meter Installations

This account shall include the cost of meters, devices and appurtenances attached thereto, used for measuring the quantity of water delivered to users, whether actually in service or held in reserve. It shall also include the cost of labor employed, materials used and expenses incurred in connection with the original installation of a customer's meters and devices and appurtenances attached thereto.

335. Hydrants

This account shall include the cost installed of hydrants in service owned by the utility.

339. Other Plant and Miscellaneous Equipment

This account shall include the cost installed of all other intangible, source of supply and pumping, water treatment and transmission and distribution plant not provided for in the foregoing accounts.

340. Office Furniture and Equipment

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

341. Transportation Equipment

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

342. Stores Equipment

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

343. Tools, Shop and Garage Equipment

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

344. Laboratory Equipment

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

345. Power Operated Equipment

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts.

346. Communication Equipment

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

347. Miscellaneous Equipment

This account shall include the cost of equipment, apparatus, etc., used in utility operations and which is not includible in any other account.

348. Other Tangible Plant

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

349. Accumulated Depreciation

This account shall include the accumulated depreciation and amortization applicable to water utility plant and equipment.

Sewer Utility Plant Accounts

351. Organization

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

353. Land and Land Rights

This account shall include the cost of land and land rights used in connection with sewage collection, pumping, treatment and disposal and general plant operations.

354. Structures and Improvements

This account shall include cost in place of structures and improvements used in connection with sewage collection, pumping, treatment and disposal and general plant operations.

360. Collection Sewers

360.1 Collection Sewers - Force

This account shall include all sewers which are used to lift sewage from a low elevation to a higher elevation.

360.2 Collection Sewers - Gravity

This account shall include the installed cost of all gravity collecting sewers, interceptor, branch, trunk, lateral including services wye, including manholes and lampholes. Manholes shall be included as a separate unit of property.

360.3 Special Collecting Structures

Inverted siphon shall be included in this account but so distinctly noted; also any other special designed structures unusual to sewer systems should be included herein but specifically noted as to what they are.

363. Services to Customers

This account shall include the installed cost of service sewers, from collection sewer to the customer's property or curb line.

364. Flow Measuring Devices

This account shall include the cost of flow measuring and recording equipment and initial testing used for measuring the quantity of sewage or sewage effluent delivered by customers, whether actually in service or held in reserve.

365. Flow Measuring Installations

This account shall include the cost of labor employed, materials used and expenses incurred in connection with the original installation of customers' flow measuring equipment.

370. Receiving Wells

This account shall include the cost of constructing wells at pumping stations or at other junction points along the collecting system, used for intercepting sewage for clearing and screening, transfer to a pumping well or otherwise further convey it along the collecting system to the treatment plant or point of final discharge. This account shall include any chemical feed apparatus and holding basins associated with the receiving well.

371. Pumping Equipment

This account shall include the cost installed of pumping equipment driven by electric power or diesel engines

380. Treatment and Disposal Equipment

This account shall include the cost installed of apparatus, equipment and other facilities used for the treatment of sewage and disposal of sewage wastes

381. Plant Sewers

This account shall include the cost installed of plant yard piping and appurtenances and facilities required to dispose of treatment plant liquid effluent into the outfall sewer line.

382. Outfall Sewer Lines

This account shall include the installed cost of sewer line carrying effluent from treatment facility to point of discharge. Includible in this account would be headwall or outlet.

389. Other Plant and Miscellaneous Equipment

This account shall include the cost installed of all other intangible, collection system pumping and treatment and disposal plant not provided for in the foregoing accounts.

390. Office Furniture and Equipment

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

391. Transportation Equipment

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

392. Stores Equipment

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

393. Tools, Shop and Garage Equipment

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

394. Laboratory Equipment

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

395. Power Operated Equipment

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

396. Communication Equipment

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

397. Miscellaneous Equipment

This account shall include the cost of equipment, apparatus, etc., used in utility operations and which is not includible in any other account.

398. Other Tangible Plant

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

399. Accumulated Depreciation

This account shall include accumulated depreciation and amortization applicable to sewer utility plant and equipment.

Deferred Debits

181. Interfund Accounts

These accounts record transactions between the revenue fund and capital fund. The interfund accounts must be in balance.

181.1 Interfund Account - Revenue Fund

This account records transactions initially recorded in the revenue fund which relate to capital fund transactions. This account can record both debit and credit transactions depending on the nature of the transactions.

181.2 Interfund Account - Capital Fund

This account records transactions initially recorded in the capital fund which relate to current fund transaction. This account can record both debit and credit transactions depending on the nature of the transaction.

Current and Accrued Liabilities

Current and accrued liabilities are those obligations which have either matured or which become due within one year from the date thereof.

231. Accounts Payable

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

232. Notes Payable

This account shall include the face value of all notes, drafts, acceptance, 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 parties.

233. Accounts Payable to Associated Parties

This account shall include all amounts payable by the utility to associated companies which are not provided for in other accounts.

234. Notes Payable to Associated Parties

This account shall include amounts owing to associated parties on notes, drafts, acceptance, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue or creation.

235. Customer Deposits

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

237. Accrued Interest

This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred.

241. Miscellaneous Current and Accrued Liabilities

This account shall include the amount for all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

Long-Term Debt

224. Long-Term Debt

This account shall include, until maturity, all long-term debt not otherwise provided for.

Contributions in Aid of Construction

271. Contributions in Aid of Construction

A. This account shall include:

1. Any amount or item of money, services or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility and which is utilized to offset the acquisition, improvement or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public.

2. Amounts transferred from account 252 - Advances for Construction, representing unrefunded balances of expired contracts or discounts resulting from termination of contracts in accordance with the Commission's rules and regulations.

3. Compensation received from governmental agencies and others for relocation of water mains or other plants.

B. The credits to this account shall not be transferred to any other account without the approval of the Commission.

272. Accumulated Amortization of Contributions in Aid of Construction

This account shall reflect the amortization accumulated on account 271 - Contributions in Aid of Construction, if recognized by the Commission.

Surplus (Deficit)

215. Unappropriated Surplus

This account shall include the balance, either debit or credit, of unappropriated surplus. It shall not include items includible in any of the accounts for paid-in capital.

INCOME ACCOUNTS

Operating Revenues

The utility revenues are recorded in the following accounts:

Water: 460 through 474

Sewer: 521 through 536

Operating Expenses

The utility expenditures are recorded in the following accounts:

Water: 600 through 695

Sewer: 700 through 795

Water Operating Revenue Accounts

Water Sales

- 460. Unmetered Water Revenue
- 461. Metered Water Revenue
- 462. Fire Protection Revenue
 - 462.1 Public Fire Protection
 - 462.2 Private Fire Protection
- 464. Other Sales to Public Authorities
- 465. Sales to Irrigation Customers
 - 465.1 Metered Sales to Irrigation Customers
 - 465.2 Flat Rate Sales to Irrigation Customers

Other Water Revenues

- 470. Delayed Payment Charges
- 471. Miscellaneous Service Revenues
- 472. Rents from Water Property
- 473. Interdepartmental Rents
- 474. Other Water Revenues

Sewer Operating Revenue Accounts

Sewer Sales

- 521. Flat Rate Revenues
 - 521.1 Residential Revenues
 - 521.2 Commercial Revenues
 - 521.3 Industrial Revenues
 - 521.4 Revenues from Public Authorities
 - 521.5 Multiple Family Dwelling Revenues
 - 521.6 Other Revenues
- 522. Measured Revenues
 - 522.1 Residential Revenues
 - 522.2 Commercial Revenues
 - 522.3 Industrial Revenues
 - 522.4 Revenues from Public Authorities
 - 522.5 Multiple Family Dwelling Revenues
 - 522.6 Other Revenues
- 523. Revenues from Public Authorities
- 525. Interdepartmental Revenues
- 530. Frontage Rates

Other Sewer Revenues

- 531. Sale of Sludge
- 532. Delayed Payment Charges
- 534. Rents from Sewer Property
- 536. Other Sewer Revenues

Water Operating Revenue Accounts

Water Sales

460. Unmetered Water Revenue

This account shall include the net billing for water supplied for residential, commercial and industrial (except irrigation) purposes where the charge is not dependent in any way on the quantity of water delivered but is based on diameter of service pipe, room, foot of frontage or other similar unit.

461. Metered Water Revenue

This account shall include the net billing for measured water supplied for residential, commercial or industrial (except irrigation) purposes where the total charge is, or may be, in any way dependent on the quantity of water delivered.

462. Fire Protection Revenue

Include herein all revenue from public agencies and others for hydrant charges, private fire protection service, street sprinkling, sewer flushing and similar sources. The following subaccounts shall be maintained:

- 462.1 Public Fire Protection
- 462.2 Private Fire Protection

464. Other Sales to Public Authorities

This account shall include the net billing for water supplied to municipalities, or other subdivisions or agencies of state or federal governments, billed under special contracts or agreements or service classifications applicable only to public authorities.

465. Sales to Irrigation Customers

This account shall include the net billing for water supplied for commercial irrigation purposes, under distinct irrigation rates, billed under either metered or flat rate tariff schedules. The following subaccounts shall be maintained:

- 465.1 Metered Sales to Irrigation Customers
- 465.2 Flat Rate Sales to Irrigation Customers

Other Water Revenues

470. Delayed Payment Charges

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

471. Miscellaneous Service Revenues

This account shall include revenues for all miscellaneous services and charges billed to customers which are specifically provided for in other accounts.

472. Rents from Water Property

This account shall include rents received for the use by other of land, buildings and other property devoted to water operations by the utility.

473. Interdepartmental Rents

This account shall include rents credited to the water department on account of rental charges made against other departments (i.e. sewer of the utility). In the case of property operated under a definite arrangement to allocate the cost among the departments using the property, any reimbursement to the water department for interest, fair return, depreciation or taxes shall be credited to this account.

474. Other Water Revenues

This account shall include revenues derived from water operations not includible in any of the foregoing accounts.

Sewer Operating Revenue Accounts

Sewer Sales

521. Flat Rate Revenues

This account shall be credited with all revenue for sewage service rendered to residential, commercial and industrial property where the charge is not dependent upon metered water consumption or metered effluent output but is based on diameter of service, structure size, area front footage or other similar unit. The following subaccounts shall be maintained:

- 521.1 Residential Revenues
- 521.2 Commercial Revenues
- 521.3 Industrial Revenues
- 521.4 Revenues from Public Authorities
- 521.5 Multiple Family Dwelling Revenues
- 521.6 Other Revenues

522. Measured Revenues

This account shall be credited with all revenue for sewage service rendered to residential, commercial and industrial property where the charge is, or may be, in any way dependent on the quantity of water consumed or the quantity of effluent output by the customers. The following subaccounts shall be maintained:

- 522.1 Residential Revenues
- 522.2 Commercial Revenues
- 522.3 Industrial Revenues
- 522.4 Revenues from Public Authorities
- 522.5 Multiple Family Dwelling Revenues
- 522.6 Other Revenues

523. Revenues from Public Authorities

This account shall be credited with revenues derived from sewage service to properties of municipalities or other divisions or agencies of federal or provincial governments where such service is rendered and billed under special contracts or agreements or service classifications applicable only to public authorities. Service to public authority customers billed under general service (flat rate or measured service) rate schedules shall be credited to account 521 or 522 as appropriate.

525. Interdepartmental Revenues

This account shall include amounts charged by the sewer department at tariff or other specified rates for sewer service by it to other utility departments.

530. Frontage Rates

This account includes the total charges of those customers whose lots are serviced or capable of being served with sewerage service adjacent to a sewerage main.

Other Sewer Revenues

531. Sale of Sludge

This account shall include revenues received from the sale of the by-product sludge sold as fertilizer.

532. Delayed Payment Charges

This account shall include the amounts which the utility allows its customers on condition that they pay their sewage bills on or before a specified date and which are forfeited by customers because of failure to pay within the specified time. There shall likewise be credited hereto the amounts of penalties imposed by the utility on its customers because of failure to pay bills within a specified time.

534. Rents from Sewer Property

This account shall include rents received for the use by others of land, buildings and other property devoted to sewer operations by the utility.

536. Other Sewer Revenues

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

Operation and Maintenance Expense Accounts

WATER

- 600. Salaries and Wages - Operational Employees
- 605. Materials and Supplies
- 610. Repairs and Maintenance
- 615. Rentals
 - 615.1 Building/Real Property
 - 615.2 Equipment
- 620. Power or Electricity
- 625. Chemicals
- 630. Water Testing and Analysis
- 650. Salaries and Wages - Administrative Employees
- 655. Employee Pensions and Benefits
- 660. Office Supplies and Other Office Expenses
- 661. Interest and Bank Service Charges
- 665. Contractual Services
 - 665.1 Engineering
 - 665.2 Accounting/Audit
 - 665.3 Legal
 - 665.4 Management Fees
 - 665.5 Other
- 670. Transportation Expenses
- 675. Insurance
 - 675.1 General Liability
 - 675.2 Vehicle
 - 675.3 Workman's Compensation
 - 675.4 Other
- 680. Amortization - Rate Case Expense
- 685. Regulatory Commission Fees
- 690. Miscellaneous Expenses
- 695. Bad Debt Expense

SEWER

- 700. Salaries and Wages - Operational Employees
- 705. Materials and Supplies
- 710. Repairs and Maintenance
- 715. Rentals
 - 715.1 Building/Real Property
 - 715.2 Equipment
- 720. Power or Electricity
- 725. Chemicals
- 750. Salaries and Wages - Administrative Employees
- 755. Employee Pensions and Benefits
- 760. Office Supplies and Other Office Expenses
- 761. Interest and Bank Service Charges
- 765. Contractual Services
 - 765.1 Engineering
 - 765.2 Accounting/Audit
 - 765.3 Legal
 - 765.4 Management Fees
 - 765.5 Other
- 770. Transportation Expenses
- 775. Insurance
 - 775.1 General Liability
 - 775.2 Vehicle
 - 775.3 Workman's Compensation
 - 775.4 Other
- 780. Amortization - Rate Case Expense
- 785. Regulatory Commission Fees
- 790. Miscellaneous Expenses
- 795. Bad Debt Expense

Water Operation and Maintenance Expense Accounts

600. Salaries and Wages - Operational Employees

This account shall include the compensation (salaries, bonuses and other consideration for services) paid or accrued to employees of the utility company for work related to operation and maintenance of that utility company.

605. Materials and Supplies

This account shall include all materials and supplies used in operation of the water system, other than materials and supplies charged to Contractual Services Accounts.

610. Repairs and Maintenance

This account shall include all expenses relating to the ongoing maintenance and repair of the water system. Items include minor repairs and maintenance performed by external contractors.

615. Rentals

615.1 Building/Real Property

This account shall include those costs associated with the rental of buildings or real property which are properly treated as period costs.

615.2 Equipment

This account shall include costs associated with the rental of equipment, except vehicles, used in the operation of the utility.

620. Power or Electricity

This account shall include the cost of all electric power expense incurred by the utility.

Alternatives, this account shall include the cost of fuel used in the production of power to operate the pumps.

625. Chemicals

This account shall include the cost of all chemicals used in the treatment of water.

630. Water Testing and Analysis

This account shall include the cost of the collection and the analysis of water quality samples, including laboratory fees.

650. Salaries and Wages - Administrative Employees

This account shall include the compensation (salaries, bonuses and other consideration for services) paid or accrued to administrative employees, officers and directors of the utility.

655. Employee Pensions and Benefits

This account shall include all accruals under employee pensions plans to which the utility has irrevocably committed such funds and payments for employee accident, sickness, hospital and death benefits or insurance therefor. Include also expenses for medical, educational or recreational activities of employees.

660. Office Supplies and Other Office Expenses

This account includes all office supplies and material used in the direct administration of the utility. In addition, this account includes other miscellaneous direct offices expenses.

661. Interest and Bank Service Charges

This account shall include fees paid for monthly bank service charges and interest charges relating to short-term current account overdraft charges.

665. Contractual Services

665.1 Engineering

This account shall include costs paid to outside engineers or engineering firms to perform ongoing, recurring engineering work for the utility. Engineering services for plant items are properly includible in the appropriate plant account. Engineering services for rate relief filings shall be included in accounts 186.1 - Deferred Rate Case Expense and 680 - Amortization - Rate Case Expense, as appropriate.

665.2 Accounting/Audit

This account shall include costs paid to outside accounting companies to maintain or audit the books and records of the utility. Accounting expenses for rate relief filings shall be included in account 186.1 - Deferred Rate Case Expense and 680 - Amortization - Rate Case Expense.

665.3 Legal

This account shall include costs paid to outside legal firms to perform legal services for the utility. Legal services for rate proceedings before the Commission shall be included in account 186.1 - Deferred Rate Case Expense and 680 - Amortization - Rate Case Expense.

665.4 Management Fees

This account shall include contractual costs (other than those properly included in accounts 600 and 650 - Salaries and Wages) paid for the performance of management functions.

665.5 Other

This account shall include those operations costs contracted for which are not included in above accounts.

670. Transportation Expenses

This account shall include all truck, automobile, construction equipment and other vehicle expense chargeable to utility operations, except depreciation and insurance.

675. Insurance

675.1 General Liability

This account shall include insurance costs associated with general liability coverage of the utility company.

675.2 Vehicle

This account shall include costs associated with insurance of automobiles and trucks used for utility purposes.

675.3 Workman's Compensation

This account shall include insurance costs associated with workman's compensation coverage for employees of the utility company.

675.4 Other

This account shall include insurance costs associated with coverage for the utility company which are not included in account 675.1 - 675.3.

680. Amortization - Rate Case Expense

This account shall include amortization of account 186 - Miscellaneous Deferred Debits. Cost associated with rate cases shall be first charged to account 186 and then amortized as prescribed by the Commission to this account.

685. Regulatory Commission Fees

This account shall include all fees incurred by the utility which are payable to Island Regulatory and Appeals Commission.

690. Miscellaneous Expenses

This account shall include all expenses not includible in other operating expense accounts.

695. Bad Debt Expense

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 143.

Sewer Operation and Maintenance Expense Accounts

700. Salaries and Wages - Operational Employees

This account shall include the compensation (salaries, bonuses and other consideration for services) paid or accrued to employees of the utility company for work related to operation and maintenance of that utility company. This account shall not include the salaries and wages of administrative employees, officers and directors of the utility.

705. Materials and Supplies

This account shall include all materials and supplies used in operation and maintenance of the sewer system, other than materials and supplies charged to Contractual Services Accounts.

710. Repairs and Maintenance

This account shall include all expenses relating to the ongoing maintenance and repair of the sewer system. Items include minor repairs and maintenance performed by external contractors.

715. Rentals

715.1 Building/Real Property

This account shall include those costs associated with the rental of buildings or real property which are properly treated as period costs.

715.2 Equipment

This account shall include costs associated with the rental of equipment, except vehicles, used in the operation of the utility. Vehicle rentals and leases are properly included in account 770 - Transportation Expenses.

720. Power or Electricity

This account shall include the cost of all electric power expenses incurred by the utility. Alternatives, this account shall include the cost of fuel used in the production of power to operate the pumps.

725. Chemicals

This account shall include the cost of all chemicals used in the treatment of sewage.

750. Salaries and Wages - Administrative Employees

This account shall include the compensation (salaries, bonuses and other consideration for services) paid or accrued to administrative employees, officers and directors of the utility.

755. Employee Pensions and Benefits

This account shall include all accruals under employee pensions plans to which the utility has irrevocably committed such funds and payments for employee accident, sickness, hospital and death benefits or insurance therefore. Include also expenses for medical, educational or recreational activities of employees.

760. Office Supplies and Other Office Expenses

This account includes all office supplies and material used in the direct administration of the utility. In addition, this account includes other miscellaneous office expenses.

761. Interest and Bank Service Charges

This account shall include fees paid for monthly bank service charges and interest charges relating to short-term current account overdraft balances.

765. Contractual Services

765.1 Engineering

This account shall include costs paid to outside engineers or engineering firms to perform ongoing, recurring engineering work for the utility. Engineering services for plant items are properly includible in the appropriate plant account. Engineering services for rate relief filings shall be included in account 780 - Amortization - Rate Case Expense and account 186.1 - Deferred Rate Case Expense, as appropriate.

765.2 Accounting/Audit

This account shall include costs paid to outside accounting companies to maintain or audit the books and records of the utility. Accounting expenses for rate relief filings shall be included in account 780 - Amortization - Rate Case Expense or account 186.1 - Deferred Rate Case Expense.

765.3 Legal

This account shall include costs paid to outside legal firms to perform legal services for the utility. Legal services for rate proceedings before the Commission shall be included in account 780 - Amortization - Rate Case Expense or account 186.1 - Deferred Rate Case Expense.

765.4 Management Fees

This account shall include contractual costs (other than those properly included in accounts 700 and 750 - Salaries and Wages) paid for the performance of management functions.

765.5 Other

This account shall include those operations costs contracted for which are not included in above accounts.

770. Transportation Expenses

This account shall include all truck, automobile, construction equipment and other vehicle expense chargeable to utility operations, except depreciation and insurance.

775. Insurance

775.1 General Liability

This account shall include insurance costs associated with general liability coverage of the utility company.

775.2 Vehicle

This account shall include costs associated with insurance of automobiles and trucks used for utility purposes.

775.3 Workman's Compensation

This account shall include insurance costs associated with workman's compensation coverage for employees of the utility company.

775.4 Other

This account shall include insurance costs associated with coverage for the utility company which are not included in account 775.1 - 775.3.

780. Amortization - Rate Case Expense

This account shall include amortization of account 186 - Miscellaneous Deferred Debits. Cost associated with rate cases shall be first charged to account 186 and then amortized as prescribed by the Commission to this account.

785. Regulatory Commission Fees

This account shall include all fees incurred by the utility which are payable to the Island Regulatory and Appeals Commission.

790. Miscellaneous Expenses

This account shall include all expenses not includible in other operating expense accounts.

795. Bad Debt Expense

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 143.

Other Operating - Water and Sewer

802./902. Small Tools Written Off During the Year

This account shall be charged with expenses relating to tools and equipment which cost \$200.00 or less. Most items of this nature represent minor values which do not warrant capitalization as a fixed asset for the utility.

803./903. Depreciation Expenses

A. This account shall be charged with depreciation credited to account 399 - Accumulated Depreciation of Sewer Plant or account 349 - Accumulated Depreciation of Water Plant and credited with amortization debited to account 272 - Accumulated Amortization of Contributions in Aid of Construction. Depreciation shall be accrued on a straight-line remaining life basis or straight-line basis as required by the Commission. A single composite depreciation rate may be used if approval from the Commission is obtained.

B. Depreciation for property not used in operations is charged to account 826/926 - Miscellaneous Nonutility Expenses and is credited to account 122 - Accumulated Depreciation and Amortization of Nonutility Property.

804./904. Interest on Long-Term Debt

The utility's interest on long-term debt should be recorded in this account. The following subaccounts shall be maintained:

804.1/904.1	Interest on Long-Term Debt
804.2/904.2	Interest on Customer Deposits
804.3/904.3	Interest – Other

Other Income and Deductions – Water and Sewer

813./913. Income from Utility Plant Leased to Others

This account shall include, revenues from utility property constituting a distinct operating unit or system leased by the utility to others and which property is properly includible in account 102 - Utility Plant Leased to Others and the expenses attributable to such property.

814./914. Gains (Losses) from Disposition of Utility Property

This account shall include, when authorized by the Commission, gains and losses from the sale, conveyance, exchange or transfer of utility property to another.

815./915. Revenues from Merchandising, Jobbing and Contract Work

These Accounts shall include respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission and all expenses incurred in such activities.

816./916. Costs and Expenses of Merchandising, Jobbing and Contract Work

This account shall include all costs relating to merchandising and jobbing or contract work.

819./919. Interest and Dividend Income

This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest bearing assets and dividends on stocks of other companies, whether the securities are carried as investments or included in sinking or other special funds accounts.

821./921. Nonutility Income

In this account is entered all income not includible in operating revenue.

826./926. Miscellaneous Nonutility Expenses

This account shall contain all expenses other than expenses of utility operations and interest expense.

Extraordinary Items

950. Extraordinary Income

Upon approval of the regulatory authority this account shall be credited with nontypical, noncustomary, infrequently recurring gains, which would significantly distort the current year's income computed before extraordinary items, if reported other than as extraordinary items.

951. Extraordinary Deductions

Upon approval of the Commission, this account shall be debited with nontypical, noncustomary, infrequently recurring losses, which would distort the current year's income, if not reported separately.