

## **R8-27 UNIFORM SYSTEM OF ACCOUNTS**

(a) For utilities with annual accounting and reporting periods based on the calendar year, effective January 1, 2002, and for utilities with fiscal year accounting and reporting periods, effective with fiscal years beginning in 2002, the Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, as currently embodied in the United States Code of Federal Regulations, Title 18, Part 101, and as revised periodically, is hereby adopted by this Commission as its accounting rules for electric utilities and is prescribed for the use of all electric utilities under the jurisdiction of the North Carolina Utilities Commission, subject to the following exceptions and conditions unless otherwise ordered by the Commission:

- (1) All orders and practices of the Commission in effect as of the effective date of this Rule with any accounting impacts that conflict with provisions of the Uniform System of Accounts shall remain in effect, and future such orders and practices with such impacts shall supersede the provisions of the Uniform System of Accounts for North Carolina retail jurisdictional purposes.
  - (2) The electric utilities under the jurisdiction of the Commission must apply to the Commission for any North Carolina retail jurisdictional use of the following accounts:
    - a. Account 182.1 - Extraordinary Property Losses.
    - b. Account 182.2 - Unrecovered Plant and Regulatory Study Costs.
    - c. Account 182.3 - Other Regulatory Assets.
    - d. Account 254 - Other Regulatory Liabilities.
    - e. Account 407 - Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs.
    - f. Account 407.3 - Regulatory Debits.
    - g. Account 407.4 - Regulatory Credits.
- (b) Each electric utility subject to this Rule shall file the following with the Commission:
- (1) In the case of utility filings and other correspondence with the FERC or its staff, on and after the effective date of this Rule, regarding the utility's accounting practices or the Uniform System of Accounts, including but not limited to requests for accounting guidance and or approval of accounting entries, the portion of the initial filing or correspondence by the utility relating to said accounting practices or the Uniform System of Accounts, and the final disposition of the matter.
  - (2) In the case of other changes in the utility's accounting practices prompted by FERC orders, directives, or correspondence, a written explanation of the change in practice, along with relevant supporting documentation.
  - (3) In the case of the regular periodic or any special compliance audits performed on and after the effective date of this Rule by the FERC or its staff, notification of the commencement of the audit and a copy of the final audit report.
- (c) The accounting treatment to be used for contributions in aid of construction is as follows:
- (1) Contributions in aid of construction received before the effective date of this Rule are to be accounted for in the manner prescribed by the Commission in Docket No. E-100, Sub 18.
  - (2) Contributions in aid of construction received on and after the effective date of this Rule are to be accounted for in the manner prescribed by the Uniform System of Accounts adopted herein.
- (d) The following classification system is hereby adopted:
- Class A: Electric utilities having annual electric operating revenues of \$2,500,000 or more.
  - Class B: Electric utilities having annual electric operating revenues of \$1,000,000 or more but less than \$2,500,000.
  - Class C: Electric utilities having annual electric operating revenues of \$150,000 or more but less than \$1,000,000.
  - Class D: Electric utilities having annual electric operating revenues of \$25,000 or more but less than \$150,000.
- (e) Electric utilities with annual gross operating revenues of less than \$25,000 shall be exempt from the provisions of this Rule until the average of their annual gross revenues, for a period of three consecutive years, shall exceed \$25,000. Electric utilities exceeding the \$25,000 threshold but falling below the minimum threshold of 10,000 megawatthours of annual sales included in the FERC Uniform System of Accounts shall nevertheless utilize the FERC Uniform System of Accounts as specified for Nonmajor utilities.
- (NCUC Docket No. E-100, Sub 18, 5/24/74; NCUC Docket No. E-100, Sub 91, 9/6/01.)