

**NOTICE 1118 OF 2008**

**Title: Regulatory Reporting Manual Volume 4:  
Petroleum Pipelines**

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

### Table of Contents

<b>1</b>	<b>DEFINITIONS AND INSTRUCTIONS .....</b>	<b>3</b>
1.1	OVERVIEW .....	3
1.2	LIST OF ACRONYMS .....	5
1.3	TERMINOLOGY .....	5
1.4	GENERAL INSTRUCTIONS .....	10
1.5	PLANT INSTRUCTIONS .....	12
1.6	OPERATING AND MAINTENANCE EXPENSE INSTRUCTIONS .....	21
1.7	PETROLEUM ACCOUNTING .....	24
<b>2</b>	<b>ACCOUNT NUMBERING AND GROUPINGS.....</b>	<b>26</b>
<b>3</b>	<b>BALANCE SHEET CHART OF ACCOUNTS .....</b>	<b>27</b>
3.1	ASSETS AND OTHER DEBITS .....	27
3.2	LIABILITIES AND OTHER CREDITS .....	28
<b>4</b>	<b>PLANT ACCOUNTS .....</b>	<b>30</b>
<b>5</b>	<b>INCOME STATEMENT CHART OF ACCOUNTS.....</b>	<b>32</b>
<b>6</b>	<b>OPERATING REVENUE ACCOUNTS.....</b>	<b>33</b>
<b>9</b>	<b>TEXT PERTAINING TO CURRENT ASSETS ACCOUNTS.....</b>	<b>34</b>
<b>10</b>	<b>TEXT PERTAINING TO NON-CURRENT ASSETS ACCOUNTS .....</b>	<b>38</b>
<b>11</b>	<b>TEXT PERTAINING TO CURRENT LIABILITIES &amp; DEFERRED CREDITS .....</b>	<b>42</b>
<b>12</b>	<b>TEXT PERTAINING TO NON-CURRENT LIABILITIES ACCOUNTS.....</b>	<b>45</b>
12.1	NON-CURRENT LIABILITIES .....	45
12.2	OWNERS' EQUITY .....	47
<b>13</b>	<b>TEXT PERTAINING TO DETAILED PLANT ACCOUNTS.....</b>	<b>48</b>
13.1	INTANGIBLE PLANT .....	49
13.2	PIPELINE, STORAGE, LOADING AND GENERAL PLANT .....	49
<b>14</b>	<b>TEXT PERTAINING TO ACCUMULATED DEPRECIATION ACCOUNTS.....</b>	<b>52</b>
<b>15</b>	<b>TEXT PERTAINING TO INCOME STATEMENTS ACCOUNTS .....</b>	<b>53</b>
<b>16</b>	<b>TEXT PERTAINING TO DETAILED OPERATING REVENUE ACCOUNTS .....</b>	<b>59</b>
16.1	REVENUE FOR SERVICES – PIPELINE.....	59
16.2	REVENUE FOR SERVICES - STORAGE .....	60
16.3	REVENUE FOR SERVICES – LOADING .....	60
<b>17</b>	<b>TEXT PERTAINING TO OPERATING &amp; MAINTENANCE EXPENSES ACCOUNTS ..</b>	<b>62</b>
17.1	OPERATING & MAINTENANCE EXPENSES – PLANT.....	62
17.2	GENERAL EXPENSES .....	63

## 1 Definitions and Instructions

### 1.1 Overview

Volume 4 of the Regulatory Reporting Manual (RRM) for use by petroleum pipeline, storage and loading 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]. Reporting 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 petroleum pipeline business (pipeline, storage, loading) prescribed in this volume:-

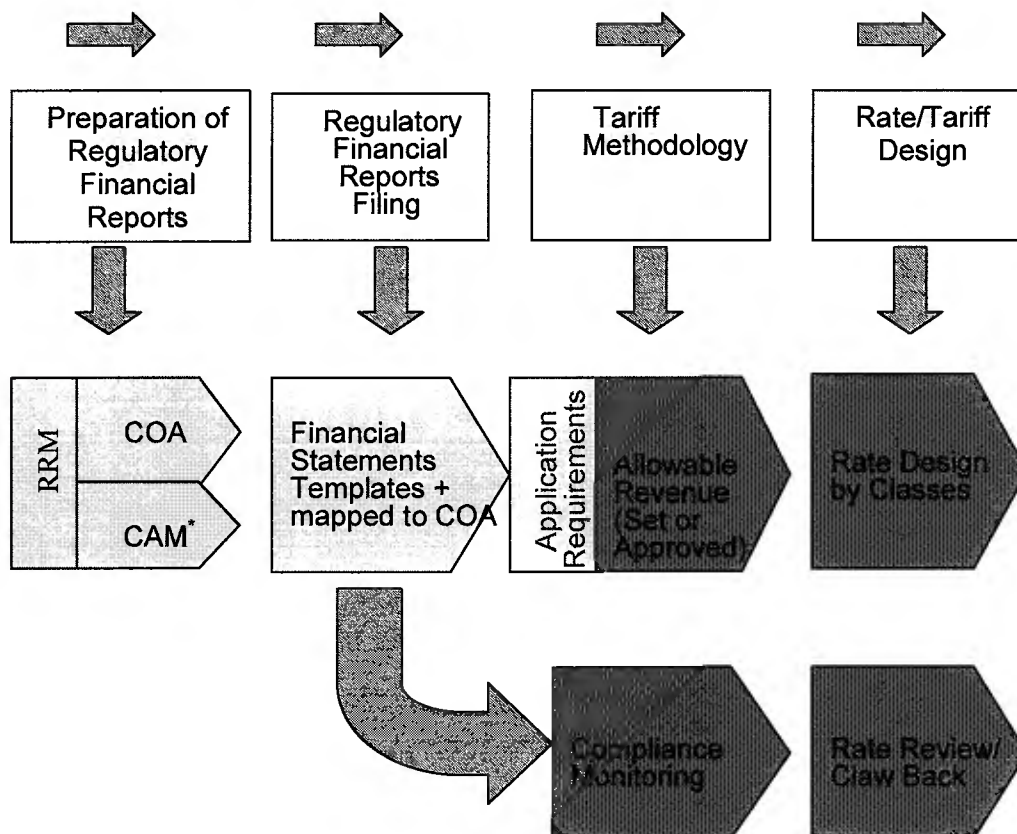
	Plant
	Other property and investment
	Current and accrued assets
	Deferred debits
Balance Sheet Accounts	Owners' equity (share capital and retained earnings)
	Long term debt
	Other non-current liabilities
	Current and accrued liabilities
	Deferred credits
	Operating income (regulated activity)
	Operating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

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; petroleum pipeline, storage, and loading facilities.
- ✓ Classification of costs – main categories e.g. plant, opex, and taxes and sub-category or sub-accounts, e.g. the plant has such sub-accounts as; land and land rights, structures and improvements.
- ✓ Amenable to allocation of costs to customer categories– the costs of each functional category classified by causation characteristics.

**Linkage Between Regulatory Reporting and Other Regulatory Activities**

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



\* CAM denotes the Cost Allocation Manual

## 1.2 List of Acronyms

1. ABC – Activity Based Costing
2. CAM – Cost Allocation Manual
3. COA – Chart of Accounts
4. DSM – Demand Side Management
5. ERP – Enterprise Resource Planning
6. FAQ – Frequently Asked Questions
7. GAAP<sup>1</sup> – 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

---

<sup>1</sup> 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.

- 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. Crude Oil - is as defined by Petroleum Pipelines Act, 2003 (Act No 60 of 2003).
  7. 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.
  8. 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.
  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. General plant or General facility: means any installation or property that is used in petroleum pipeline operations and not provided for in a Plant Account
  12. Government – Government of the Republic in South Africa.
  13. 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
  14. 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.
  15. 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.
  16. 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.
  17. Joint Depot – a depot used by two licensees – where two companies apply for a joint license for a depot, one must be nominated to operate the depot and that licensee must submit the regulatory financial reports for that facility.
  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), Petroleum Pipelines Act, 2003 (Act No 60 of 2003). Licensee and Regulated Entity shall be used interchangeably.
  19. Loading Facility - is as defined by Petroleum Pipelines Act, 2003 (Act No 60 of 2003).
  20. Long-lived Asset – Asset with economic (service) life that spans over several years.

21. Manual – Regulatory Reporting Manual.
22. Minister – Minister of Minerals and Energy.
23. Modified Historical Cost - is historical cost indexed by inflation.
24. National Energy Regulator Act – National Energy Regulator Act, 2004 (Act No 40 of 2004).
25. NERSA – National Energy Regulator of South Africa.
26. Net Book Value – is the historical cost less accumulated depreciation.
27. Non Discrimination - is as contemplated in Section 21 of the Petroleum Pipelines Act, 2003 (Act No 60 of 2003).
28. 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 metering facilities for purposes of sale or receipt of petroleum.Operations and maintenance does 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.
29. Other Plant or “Other Facility” means any installation or property that is entirely distinct from and is not operated in connection with the petroleum pipeline, storage facility or loading facility.
30. Plant herein also means facility.
31. Plant or “Facility” - means, in respect of a licensee, any installation or property operated and used in connection with the operation of a petroleum pipeline, or storage facility or loading facility.
32. Petroleum - is as defined by Petroleum Pipelines Act, 2003 (Act No 60 of 2003).
33. Petroleum Pipelines Act - Petroleum Pipelines Act, 2003 (Act No 60 of 2003).
34. Petroleum Pipeline - is as defined by Petroleum Pipelines Act, 2003 (Act No 60 of 2003).

35. Petroleum Products - is as defined by Petroleum Pipelines Act, 2003 (Act No 60 of 2003).
36. 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 licensed services; or
37. 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, gains, or losses that would have been included in net income determination in one period under the general accounting. However, due to an 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 by the 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; and
  - (f) claw-backs, etc.
38. Regulated Business - any licensee, service or activity that is subject to regulation by the Energy Regulator in terms of the National Energy Regulator Act No 40 of 2004, or the Petroleum Pipelines Act No 60 of 2003.
  39. Regulated Entity – Regulated Business.
  40. Regulatory Reporting Manual (RRM) – Detailed reporting procedures, requirements and guidelines to be implemented by the regulated entities.
  41. 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.
  42. Service Life of Asset - estimated economically useful life of depreciable property as supported by engineering, economic, or other depreciation studies.
  43. 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.
  44. Storage facility is as defined by Petroleum Pipelines Act, 2003 (Act No 60 of 2003).



45. Transfer Pricing – the pricing of products/services that one affiliate/business unit supplies to another affiliate/business unit of the same organization.
46. Unregulated Business - entity, service or activity that is not subject to regulation by the Energy Regulator.
47. 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.

## **1.4 General Instructions**

### *1. Separate accounts and data for each activity*

As a condition of licence, the petroleum loading, pipeline and storage activities of vertically integrated companies may be required to 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 plant, 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 removal, operating functions and non-regulated operations.

### *4. Income Taxes*

In calculating regulated business income taxes, the licensee should maximize all 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*

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 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 licensee plant, 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.

Gains or losses resulting from the settlement of Asset Retirement Obligations associated with licensed 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 licensed 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 the 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 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 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.

(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 subsidiary accounts that record the costs, by location, of:-

(i) each major facility including each pumping station, main pipeline, receiving, storage and delivery facility; 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 petroleum pipeline operations (pipeline or storage or loading) should be recorded in the account for "Other Plant".

## *2. Plant Should Be Recorded at Historical Cost*

(a) Unless otherwise specified by the Energy Regulator, all amounts included in the Accounts for 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 plant Accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

(d) When contributions, like government grants and/or customer payments, 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.

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

### *3. Plant Sold/Retired.*

(a) When a 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 plant accounts. The amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provision for depreciation and amortization 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 plant".

(b) When an asset is retired from plant, with or without replacement, the book cost (the amount at which such property is included in the plant accounts, including all components of construction costs) thereof should be credited to the 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 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 (financing) used during construction.*

Allowance for funds (financing) used during construction includes the net cost for the period of construction of borrowed funds (finance) used for construction purposes and a reasonable rate of return on other funds (financing) like equity, when so used, not to exceed, without prior approval of the Energy Regulator, allowances computed in accordance with the formula prescribed in paragraph (a) of this subparagraph. No allowance for funds (financing) 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 (financing) 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 of capital 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 Plant in Service and allowance for funds (financing) used during construction thereon as a charge to construction shall cease. Allowance for funds (financing) 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 (financing) 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 (financing) 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.

(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 any taxes paid with purchases that are not claimable or reimbursed by the tax authority; 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.



(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*

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 (Financing) Used During Construction*

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

(ii) The allowance for funds (financing) used during construction should be calculated in accordance with the instructions set out herein and 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 (Plant in Service, or Plant Leased to Others, or plant Held for Future Use, or Other Plant) should be credited with 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 regulated 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 regulated 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 regulated 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 "Plant held for future use" or the account for "Other plant", 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 plant by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of 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 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 plant account to another, from one licensee department to another, from one operating division or area to another, to or from Accounts, "Plant in service", "Plant leased to others", "Plant held for future use", "Other plant", 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 regulated service and any of its plant is used in common for several regulated services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by Regulated 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. the 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.*

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 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 and treated as plant unit retired in terms of (a) above, once installed on the new site, 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 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
- (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 principles.

(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, 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 class 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 regulated 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, such as pipeline, loading and storage, 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 regulated 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.

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

## **1.7 Petroleum Accounting**

*1. Allowance Petroleum Accounting.*

A licensee shall record any amounts earned as a result of its tariff relating to petroleum allowances covering losses due to shrinkage/crime or other factors.

Petroleum allowances shall be valued at not more than the market value at point and time of delivery and shall be debited to the account for Petroleum Inventory and concurrently shall be credited to account for Petroleum Allowance Revenue.

Gains in petroleum allowances resulting from pumping, temperature corrections or other factors shall be debited to the account for Petroleum Inventory and credited to the account for Petroleum Allowance Revenue.

Shortages in petroleum allowances shall be debited to the account for Petroleum Allowance Revenue and credited to the account for Petroleum Inventory.

Where, at balance sheet date, the debits to the account for Petroleum Allowance Revenue exceed the credits, the net debit shall be debited to account for Petroleum Loss.

*2. General Petroleum Accounting.*

Where the operations of a licensee have consumed petroleum that has been accounted for by a debit to the account for Petroleum Inventory, that account shall be credited and the account



for Operating Fuel and Power shall be debited with the petroleum at the value of the inventory of petroleum carried in the Petroleum Inventory account.

Petroleum lost through line breaks or other extraordinary circumstances shall be accounted for by debiting the Petroleum Loss account and crediting the Petroleum Inventory, and purchases of petroleum to replenish shortages or losses shall be accounted for by debiting Petroleum Inventory account.

Where a licensee requires part of its petroleum inventory to provide Line Fill, the Line Fill account shall be debited and the Petroleum Inventory account shall be credited with the value of the petroleum so required and the petroleum shall be priced at the value at which it is carried in inventory.

Sales of petroleum shall be accounted for by a credit to Petroleum Inventory account or Line Fill account, as applicable, and the difference between the selling price and the value at which the petroleum is recorded in the Petroleum Inventory account or Line Fill shall be debited or credited, as applicable, to Petroleum Loss account.

## 2 Account Numbering and Groupings

### 2.1 The account numbering system

In order to maintain consistency between Department of Minerals and Energy (DME) and NERSA regulatory accounting, this chart of accounts is organized in the same manner such that the account numbers reflect four levels of details:

1. Type of activity.
2. Type of Fuel.
3. Category.
4. Sub category.

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

#### Classification by Activity

In order to distinguish between storage and transportation/pipeline activities that are regulated by DME from those regulated by NERSA, the following activity codes are used:-

Activity Code (AA) NERSA	Activity Code (DME)	Activity
N/A	00	Consolidated
09	01	Pipeline
10	02	Storage facility
11	N/A	Loading facility

#### Classification by Type of Fuel

Fuel Code (PPP) NERSA	Activity Code DME	Fuel
010	010	Petrol
020	020	Diesel
030	030	Paraffin
050	050	Jet Fuel
070	N/A	Crude Oil

**Classification by Category**

<b>Category Code (CCC)</b>	<b>Category of Account</b>
100 – 199	Assets
200 – 274	Liabilities
275 – 299	Owners' equity
300 – 399	Detailed plant accounts
400 – 499	Income
500 – 599	Detailed Revenue Accounts
700 – 799	Detailed Operating and Maintenance Expense Accounts

**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 (700-799) 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
110	Accounts Receivable
110.003	Accounts Receivable--Trade
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	Materials and Operating Supplies
120.003	Petroleum Inventory
125	Prepayments

135 Other Current Assets

**Deferred Debits**

140 Unamortized Debt Discount and Expense  
 142 Preliminary Surveys and Investigation Charges  
 145 Regulatory Assets  
 147 Other Deferred Debits

**Non-Current Assets**

171.001 Plant in Service  
 171.002 Accumulated Depreciation--Plant in Service  
 172.001 Plant under capital leases and Improvements to leased facilities  
 172.002 Accumulated Depreciation—Leased Plant and Improvements  
 174.001 Plant Leased to Others  
 174.002 Accumulated Depreciation--Plant Leased to Others  
 176 Line Fill  
 177.001 Gross value of Contributions and Grants-Credit  
 177.002 Accumulated Depreciation—Gross value of Contributions and Grants-Credit  
 179 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  
 220 Dividends Payable  
 230 Accrued Income Taxes Payable

235 Other Current Liabilities

**Deferred Credits**

238 Unamortized Debt Premium and Expenses  
239 Contributions, grants and customer advances for construction  
240 Regulatory liabilities  
241 Other deferred credits  
242 Accumulated future income taxes

**Non-Current Liabilities**

245 Provision for Pension and Benefits  
255 Long-Term Debt  
256 Long-Term Debt--Advances from Affiliated Companies  
265 Other Non-Current Liabilities  
265.01 Obligations under capital lease--non current  
265.02 Accumulated provision for self insurance  
265.03 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

## 4 Plant Accounts

### 4.1 Intangible Plant

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

### 4.2 Pipeline, Storage Facility, Loading Facility and General Plant

Activity				Account Description
Pipeline	Storage	Loading	General	
304.001	304.001	304.001	304.001	Land
304.002	304.002	304.002		Land rights
305	305	305	305	Buildings
351				Pipelines
352	352			Pumping Equipment
353				Station petroleum lines
354	354	354		Other station equipment
	355			Petroleum tanks
		356		Receiving and delivery facilities
			357	Communication systems
			358	Office furniture and equipment
			359	Computer Hardware and Voice & Data Network Equipment
			360	Computer Software and Applications
			361	Pipeline Equipment, Fleet Vehicles
			362	Tools and Work Equipment
			364	Heavy Equipment/Power Operated Equipment
			365	Mobile Communication Structures and Equipment
			366	Miscellaneous plant
			367	Aircraft
			369	Allowance for Funds (Financing) used During Construction

**4.7 Accumulated Depreciation**

Activity				Account Description
Pipeline	Storage	Loading	General	
N/A	N/A	N/A	N/A	Land
304.003	304.003	304.003		Land rights
305.002	305.002	305.002	305.002	Buildings
351.002				Pipelines
352.002	352.002			Pumping Equipment
353.002				Station petroleum lines
354.002	354.002	354.002		Other station equipment
	355.002			Petroleum tanks
		356.002		Receiving and delivery facilities
			357.002	Communication systems
			358.002	Office furniture and equipment
			359.002	Computer Hardware and Voice & Data Network Equipment
			360.002	Computer Software and Applications
			361.002	Pipeline Equipment, Fleet Vehicles
			362.002	Tools and Work Equipment
			364.002	Heavy Equipment/Power Operated Equipment
			365.002	Mobile Communication Structures and Equipment
			366.002	Miscellaneous plant
			367.002	Aircraft
			369.002	Allowance for Funds (Financing) used During Construction

## **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, Regulated Activity Operating Income
458	Income Taxes, Regulated Activity Operating Income
459	Provision for Future Income Taxes
461	Revenue from Plant Leased to Others
462	Expense for 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 (Financing) 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**



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

## **6 Operating Revenue Accounts**

Account Number by Activity				Account Description
Pipeline (Trunk lines)	Storage	Loading	General	
500				Pipeline Revenue - Domestic
501				Pipeline Revenue - Export
	510			Storage Revenue - Domestic
	511			Storage Revenue - Export
502	512	522		Rent Revenue
503	513	523		Miscellaneous Operating Revenue
539	539			Petroleum Allowance Revenue
540	540	540		Petroleum Exchange (Fungible products swap)
		541		Receiving and Delivery Revenue - Domestic
		542		Receiving and Delivery Revenue - Export

## 7 Operating and Maintenance (O&M) Expenses Accounts

Account Number by Activity				Account Description
Pipeline (Trunk lines)	Storage	Loading	General	
701	711	721	731	Salaries and wages
702	712	722	732	Materials and supplies
703	713	723	733	Outside services
704	714	724	734	Other expenses
705	715	725		Operating Fuel
706	716	726		Petroleum Loss
736	736	736		Petroleum Exchange (Fungible products swap)
			737	Legal expenses
			738	Rent
			739	Injuries & damages
			740	Employee Benefits
			741	Insurance
			742	Bad Debts

## 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 the following receivables sub-accounts.

**110.003      Accounts Receivable--Trade**

This sub-account should record all trade accounts receivables.

**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 from 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 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 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.

**120.003 Petroleum Inventory**

This account should record the balances representing the value of petroleum owned by the company other than the value of petroleum used to maintain lines and storage tanks in condition for the transportation by pipeline of commercial petroleum.

The petroleum stock referred to in this section should be valued at the lower of cost and net realizable value.

**125 Prepayments**

This account should record amounts representing prepaid , 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 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 pipeline service, and with the costs associated with applications for certificates of public convenience and necessity, board 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.

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 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 Plant in Service**

This account should contain the original cost of plant, included in accounts 301 to 399, prescribed herein, owned and used by the licensee in its pipeline 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 Plant under Capital Leases and Improvements to leased facilities**

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

The pipeline property included in this account shall be classified separately according to the detailed accounts 301 to 399 prescribed for pipeline 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 value of minimum lease payments, (8) the amount representing interest and the interest rate used, and (9) expenses paid.

**174.001 Plant Leased to Others**

This account should record the original cost of 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 plant in service and this account shall be maintained in such detail as though the property were used by the owner in its regulated operations.

**176 Line Fill**

This account should record the value of petroleum owned by the company and used to maintain pipelines and storage tanks in condition for the transportation by pipeline of commercial petroleum and valued at the lower of cost and net realizable value.

**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 Plant in Service account.

**179 Plant under Construction**

This account should record the cost of construction of 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 licensed 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 plant in Service or plant Leased to Others or plant Held for Future Use or Leasehold Improvements, as appropriate.

### **Accumulated Depreciation – plant**

NOTE A: At the time of retirement of depreciable 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 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– 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 plant in service.

#### **172.002 Accumulated Depreciation-Plant under Capital Leases & Improvement**

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

#### **174.002 Accumulated Depreciation– 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 plant leased to others.

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

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 pipeline service and not included in the account for 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 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;
- (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 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 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 "Other plant".

**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.

**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. An 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.

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 Contributions, Grants and 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.

**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:-

**265.01 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 "Other plant".

**265.02 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.

### **265.03 Asset retirement obligations/Decommissioning obligations**

This account should record the amount of liabilities for the recognition of asset retirement obligations or decommissioning cost related to regulated pipelines and non-regulated pipelines that gives rise to the obligations. This account should be credited for the amount of the liabilities for asset retirement obligations or decommissioning cost with amounts charged to the appropriate regulated pipeline accounts or non-regulated pipeline 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 or decommissioning cost, for regulated pipelines, the account for "Expenses of pipelines leased to others", for pipelines 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.

## **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.

## **13 Text Pertaining to Detailed Plant Accounts**

### **General**

The total of the balances in the plant accounts should equal the total of the balances in balance sheet accounts "Plant", "Plant Leased from Others/Lease Improvements" and "Plant Leased to Others".

Where the same account title is used for more than one group of plant accounts, the account text instructions are given in detail only once.



## **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.

The respective activity codes should be used in sub-accounts so as to separate the various assets by activity.

### **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 Pipeline, Storage, Loading and General Plant**

### **304.001 Land**

This account should record the cost of land used in connection with the construction and operation of pipelines, loading or storage facilities.

### **304.004 Land rights**

This account should record amounts paid for registered land rights or easements and the costs incurred in connection with obtaining the land rights.

Temporary land rights or easements used for construction purposes only and the cost of clearing, levelling or grading land for which the company has acquired land rights both before

and after the construction of facilities thereon shall be included in the plant account provided for the facilities constructed.

The respective activity codes should be used in sub-accounts as to separate the cost of land by activity.

**305 Buildings**

This account should record the cost of buildings, including foundations and other components such as heating, lighting, plumbing, air conditioning and sprinkler systems.

**351 Pipelines**

This account should record the costs of line pipe, line pipe fittings and labour incurred in the construction of pipelines, including the costs of scraper traps, pipeline valves and other trunk line facilities between stations.

This account should be maintained to show in separate sub-accounts the costs of line pipe, line pipe fittings and pipeline construction, respectively.

**352 Pumping Equipment**

This account should record the cost of engines, motors, pumps and all other pumping equipment required in the petroleum pipelines, including installation costs and the cost of any special foundations.

**353 Station Petroleum Lines**

This account should record the incoming and outgoing station gate valves at each station and the pipelines, fittings, manifolds and tank lines between those valves.

**354 Other Station Equipment**

This account should record the cost of all station equipment not provided for in other accounts herein.

**355 Petroleum Tanks**

This account should record the cost of tanks used for the storage of crude oil or petroleum products and other appurtenances necessary to equip the tanks for such storage.

**356 Receiving and Delivery Facilities**

This account should record the cost of facilities for receiving or delivering petroleum products to or from vessels, railroad cars and trucks.

**357 Systems Communications and Controls**

This account should record the cost of all installed equipment utilized for the purposes of providing control, operation and observation of the status of the pipeline system, or storage, or loading facilities as the case may be.

**358 Office Furniture and Equipment**

This account should record the cost of office furniture and equipment owned by the licensee and devoted to the regulated activity, 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.

**359 Computer Hardware and Voice & Data Network Equipment**

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

This account should be subdivided as deemed appropriate.

**360 Pipeline Equipment, Fleet Vehicles**

This account should record the cost of fleet vehicles generally used for general purposes. 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 "Power operated equipment"

**361 Tools and Work Equipment**

This account should record the cost of tools, implements, equipment used in construction, repair work, general shops garages, equipment used for the receiving, shipping, handling, and storage of materials and supplies; none of which is specifically provided for or can be included in other departmental or functional plant accounts.

**364 Heavy Equipment/Power Operated Equipment**

This account should record the cost of power operated equipment used in construction or repair work 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

**365 Mobile Communication Structures and Equipment**

This account should record the installed cost of mobile and wireless equipment for general use in connection with regulated operations.

**366 Miscellaneous Plant**

This account should record the cost of plant used in pipeline operations where such plant is not provided for in other accounts under the Regulations

**367 Aircraft**

This account should record the cost of aircraft and navigational and other flying equipment attached to or used to equip aircraft devoted solely to petroleum pipeline operations.

**368 Allowance for Funds (Financing) used During Construction**

With the approval of the Energy Regulator, a company may charge an allowance for funds (financing) used during construction, as defined in the General Instructions Section herein.

The rate used to determine the amount of an allowance shall be decided by the Energy Regulator based on a reasonable allowance for the use of funds (financing) expended during the construction period, whether or not such funds (financing) have been borrowed.

Where an allowance is capitalized, the relevant amounts shall be debited to this account and concurrently credited to the account for Allowance for Funds (Financing) Used During Construction-Credit".

A company may, at its option, close out this account by prorating the allowance, which would have been approved by the Energy Regulator, to the plant accounts.

**14 Text Pertaining to Accumulated Depreciation Accounts**

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

Activity				Account Description
Pipeline (Trunk lines)	Storage	Loading	General	
N/A	N/A	N/A	N/A	Land
304.003	304.003	304.003		Land rights
305.002	305.002	305.002	305.002	Buildings
351.002				Pipelines
352.002	352.002			Pumping Equipment
353.002				Station petroleum lines

354.002	354.002	354.002		Other station equipment
	355.002			Petroleum tanks
		356.002		Receiving and delivery facilities
			357.002	Communication systems
			358.002	Office furniture and equipment
			359.002	Computer Hardware and Voice & Data Network Equipment
			360.002	Computer Software and Applications
			361.002	Pipeline Equipment, Fleet Vehicles
			362.002	Tools and Work Equipment
			364.002	Heavy Equipment/Power Operated Equipment
			365.002	Mobile Communication Structures and Equipment
			366.002	Miscellaneous plant
			367.002	Aircraft
			369.002	Allowance for Funds (Financing) used During Construction

At the time of retirement of depreciable plant, the respective 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 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.

## **15 Text Pertaining to Income Statements Accounts**

### **15.1 Operating Revenue & Expenses**

#### **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 700 to 799)**

This account should show the total operating and maintenance expenses that are recorded in the related accounts set out herein as accounts 700 - 799 inclusive.

**452 Depreciation**

This account should record the amount of depreciation expense for all classes of depreciable 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 plant.

**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.

**457 Taxes other than Income Taxes, Regulated Activity 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 plant Leased to Others**

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

##### **461.1 Expense for 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 activity operating income", as appropriate.

#### **462 Expense for plant Leased from Others**

This account should record expenses for 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 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 South African Rand equivalent, of 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 (Financing) Used During Construction (Credit)**

This account should record concurrent credits recorded in the account for "Allowance for Funds (Financing) Used During Construction" for allowance for other funds (financing) 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 may not automatically be 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**

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**

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 regulated plant, including amounts which were previously recorded in and transferred from the account for "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 regulated plant including amounts which were previously recorded in and transferred from the account for "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**

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 Reporting 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.

**16 Text Pertaining to Detailed Operating Revenue Accounts****16.1 Revenue for Services – Pipeline**

Note: For all the following revenue accounts, should be used with the appropriate Activity Code, Fuel Type and a subcategory account should be created so as to clearly record revenues by products and facility/network.

**500 Pipeline Services for Others – Domestic**

This account should record revenue from the transportation by pipelines of petroleum products for customers domiciled in South Africa.

**501 Pipeline Services for Others – Export**

This account should record revenue from the transportation by pipelines of petroleum products for customers domiciled in outside South Africa.

**502 Rent for plant**

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

**503 Miscellaneous Operating Revenues**

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

**539 Petroleum Allowance Revenue**

This account should record the revenue earned as a result of the licensee's tariff relating to petroleum allowances covering loss due to shrinkage and other causes.

**16.2 Revenue for Services - Storage**

**510. Storage for Others – Domestic**

This account should record the revenue obtained from the storage of petroleum on the basis of tariff charges for customers domiciled in South Africa

**511 Storage for Others – Export**

This account should record the revenue obtained from the storage of petroleum on the basis of tariff charges for customers domiciled outside South Africa

**512 Rent for plant**

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

**513 Miscellaneous Storage Operating Revenues**

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

**16.3 Revenue for Services – Loading**

**522 Rent of plant**

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

**523 Miscellaneous Operating Revenues**

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

**540 Petroleum Exchange (Fungible products swap)**

This account should record debits or credits for the cost of fungible petroleum products exchanged/swapped in exchange transactions whereby petroleum products are received from another party or transferred to another 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 should be recorded in a separate subaccount in the account for "Miscellaneous Operating Revenues".

**541 Loading for Others – Domestic**

This account should record the revenue earned on the basis of tariff charges for receiving, delivering, unloading and loading at the company's receiving and delivery facilities, for customers domiciled in South Africa.

**542 Loading for Others – Export**

This account should record the revenue earned on the basis of tariff charges for receiving, delivering, unloading and loading at the company's receiving and delivery facilities, for customers domiciled outside South Africa.

## **17 Text Pertaining to Operating & Maintenance Expenses Accounts**

Note: For all the following expense accounts, should be used with the appropriate Activity Code, Fuel Type Code, and subcategory accounts should be created so as to clearly record expenses by products and facility/network.

### **General**

The total of the balances in the operating expense accounts should equal the balance in the Operating Expenses in the income statement.

Where the same account title is used for more than one activity, the account text instructions are given in detail only once.

The regulated entity may, if it so desires, create sub-accounts as to separate between operation and maintenance expenses.

### **17.1 Operating & Maintenance Expenses – Plant**

#### **701, 711, 721 Salaries and Wages**

This account should record the salaries and wages, including holiday and sick leave pay, for personnel directly engaged in the operating and maintenance of the plant.

#### **702, 712, 722 Materials and Supplies**

This account should record the cost of materials and supplies used in the operating maintenance of the plant. The salvage value of materials recovered in operating and maintenance work should be credited to this account.

#### **703, 713, 723 Outside Services**

This account should record the cost of operating and maintenance services provided by persons other than company employees, under contract, agreement or other arrangement.

This account should be so maintained as to permit ready summarization according to the nature of service and the person providing the service.

The cost of services performed by affiliated companies should be segregated within this account.

#### **704, 714, 724 Other Expenses**

This account should record operating and maintenance expenses not provided for in other accounts herein.

**705, 715, 725 Operating Fuel**

This account should record:-

- (a) the cost of fuel and power consumed in operations; and
- (b) the cost of normal utilities services where the cost is directly attributable to operations.

**706, 716, 726 Petroleum Loss**

This account should record:-

- (a) the value of petroleum lost in the course of transportation by pipelines or during storage;
- (b) gain or loss on sale of petroleum that is recorded in the "Petroleum Inventory" account or the "Line Fill" account; and
- (c) the net debits, if any, at balance sheet date in "Petroleum Allowance Revenue" account.

**17.2 General Expenses****731 Salaries and Wages**

This account should record the salaries and wages, including holiday and sick leave pay, for executives, general officers, general office personnel and other employees whose salaries and wages cannot be directly allocated to operating and maintenance or plant accounts.

**732 Materials and Supplies**

This account should record the cost of materials and supplies used for administration and general services by the company.

**733 Outside Services**

This account should record the fees and expenses of professional consultants and other outside parties for general services.

**734 Other Expenses**

This account shall include

- (a) expenses of aircraft and vehicles used for general purposes;
- (b) travel and other expenses of general employees and officers;
- (c) regulated services; and
- (d) all other incidental general expenses not provided for in other accounts herein.

**736 Petroleum products Exchange (Fungible Products Swap)**

This account should record expenses paid for performance of petroleum pipeline/storage/loading exchange services. The revenue for such exchange services should be recorded in the account for "Miscellaneous Operating Revenues".

**737 Legal Expenses**

This account should record

- (a) the pay and expenses of the law department of the company not provided for in other accounts herein;
- b) the fees, costs and expenses of lawsuits; and
- (c) the payments of special law fees.

**738 Rent**

This account should record rents payable in respect of leased plant used in regulated activity service and not provided for in other accounts herein.

**739 Injuries & Damages**

This account should record all expenses, except law expenses, incurred as a result of injury to or the death of an employee or other person or damage to or destruction of the property of others.

**740 Employee Benefits**

This account should record:-

- (a) the cost to the company of annuities and pensions for active or retired employees, their beneficiaries or designees;
- (b) contributions to health or welfare funds or payments for similar benefits to or on behalf of employees; and
- (c) premiums, to the extent borne by the company, for group life, health, accident and other beneficial insurance for employees:

**741 Insurance**

This account should record premiums payable to insurance companies against any loss that may be sustained by the licensee.

Where the licensee provides self-insurance, the reserve accrual shall be debited to this account.

**742 Bad Debts**

This account should be debited with amounts receivable and determined to be uncollectible.

=====**End**=====









Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001  
Publications: Tel: (012) 334-4508, 334-4509, 334-4510  
Advertisements: Tel: (012) 334-4673, 334-4674, 334-4504  
Subscriptions: Tel: (012) 334-4735, 334-4736, 334-4737  
Cape Town Branch: Tel: (021) 465-7531

Gedruk deur en verkrygbaar by die Staatsdrukker, Bosmanstraat, Privaatsak X85, Pretoria, 0001  
Publikasies: Tel: (012) 334-4508, 334-4509, 334-4510  
Advertensies: Tel: (012) 334-4673, 334-4674, 334-4504  
Subskripsies: Tel: (012) 334-4735, 334-4736, 334-4737  
Kaapstad-tak: Tel: (021) 465-7531