



Bureau of
Energy Resources,
United States
Department of State



National
Association of
Regulatory
Utility
Commissioners

Uniform System of Accounts

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What is the Uniform System of Accounts USOA?

- Accounting standards used to provide uniformity and consistency in reporting financial information.
- Accuracy, reliability, comparability
- Clear, concise, consistent, detailed financial and operations information
- Verifiable and auditable by a third party
- Understood by lenders, investors, taxpayers, and others.



A Tool of Regulation

Uniform in Accounting, Useful in Rate Proceedings

(Considerable emphasis on plant accounting procedures. Ratebase consists primarily of the utility's investment in plant facilities)

Plant Accounting

- Type of property
- Location, description, date of construction, cost of units of property
- Allowance for Funds Used During Construction
- Depreciation
- Revenue Accounting
- Inventory Accounting
- Income Tax



At a Glance

- Balance Sheet –Financial Position of Utility
- Results of Operations--Statement of Revenues, Expenses and Changes in Net Position, Statement of Comprehensive Income, etc.



USOA Overview

- Definition of Terms
- There are 25 General Instructions
establishes general record keeping rules
- 16 Electric Plant Instructions
addresses balance sheet items
- 4 Operating Expense Instructions
covers items impacting income statement



Code of Federal Regulations

- Code of Federal Regulations (Part of the Federal Register)
 - CFR, Title 18
 - Parts 1-399
- Eleven Sections



USOA Overview

FERC Sections 1-2

- Commission Order of Applicability
- Definitions

FERC Sections 3-5

- General Instructions
- Electric Plant Instructions
- Operating Expense Instructions

FERC Sections 6-7

- Balance Sheet Chart of Accounts and Descriptions
- Electric Plant Chart of Accounts and Descriptions



USOA Overview

FERC Sections 8-11

- Income Chart of Accounts and Descriptions
- Retained Earnings Chart of Accounts and Descriptions
- Operating Revenue Chart of Accounts and Descriptions
- Operation and Maintenance Expense Chart of Accounts and Descriptions



USOA Accounts

- **Assets & Other Debits (Accounts 100-190)**
- **Liabilities & Other Credits (201-283)**
- **Electric Plant Accounts (301-399)**
- **Operating Revenue & Income (400-435)**



USOA Accounts (Expense)

As prescribed by FERC, the USOA is categorized by “Series” from Series 100 to Series 900 (to 500 for Electric)

- **Power Production** (Accounts 500-557)
- **Transmission** (560-574)
- **Distribution** (580-598)
 - Customer Accounts (901-905)
 - Customer Service and Information (906-910)
- **Administrative and General** (production, transmission, & Distribution) (920-935)



USOA Accounts

- Accounts are numbered (series) and grouped by category.
- Accounts are titled and contain a brief description of the items to be included in it.
- Definition describes the transactions to be recorded in each account.
- Instructions are provided on recording the transaction in the account.



Utility Plant in Service

- Plant Account Information is useful for determining used and useful plant for allowance in rate base.



Revenue

- Revenue Accounts are divided into individual sources such as “sales from electricity” and “other operating revenues.”
- Electricity sales are further divided to reflect revenues from each customer type.
- This is helpful in determining how much each customer class is contributing to the total cost of service.



Expense

- Expense Accounts are also divided into subcategories such as: power production costs, transmission, distribution, maintenance, taxes, customer service, general administrative, etc.
- Used to determine those costs of service that are legitimate and reasonable in determining rates.



Transmission and Distribution Operations Expense

- Operation Supervision & Engineering
- Load Dispatching
- Line & Station Expenses
- Overhead Line Expense
- Underground Line Expense
- Meter Expense
- Customer Installation Expense
- Street Lighting & Signal System Expenses



Transmission & Distribution Maintenance Expense

- Maintenance Supervision & Engineering
- Maintenance of Structures
- Maintenance of Station Equipment
- Maintenance of Lines (Overhead, Underground)
- Maintenance of Transformers
- Maintenance of Transmission & Distribution Plant



Customer Accounts Expenses

- Supervision
- Meter Reading
- Customer Records & Collection Expenses
- Uncollectible Accounts



Customer Service and Informational Expense

- Supervision
- Customer Assistance Expenses
- Informational & Instructional Expenses



Example of USOA for Annual Financial Reporting

A basis for routine annual reporting of detailed financial information.

An important historical reference of utility costs that is helpful in the rate setting process.

- Example: Pacific Gas and Electric Annual Report 2014