

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter D. RECORDS, REPORTS, AND OTHER REQUIRED INFORMATION.

§25.72. Uniform System of Accounts.

- (a) Each electric utility and electric cooperative shall keep uniform accounts, in accordance with this section, of all business transacted. The classification of electric utilities and electric cooperatives, index of accounts, definitions, and general instructions pertaining to each uniform system of accounts as amended from time to time shall be adhered to at all times, unless provided otherwise by these rules, or specifically permitted by the commission.
- (b) **Classification.** For the purposes of accounting and reporting to the commission under this subchapter, each electric utility or electric cooperative shall be classified as follows:
 - (1) **Major:** electric utilities or electric cooperatives that had in each of the last three consecutive years sales or transmission service that exceeded any one or more of the following:
 - (A) one million megawatt-hours of total sales;
 - (B) 100 megawatt-hours of sales for resale;
 - (C) 500 megawatt-hours of gross interchange out; or
 - (D) 500 megawatt-hours of wheeling for others (deliveries plus losses).
 - (2) **Nonmajor:** electric utilities or electric cooperatives that are not classified as "major" as defined in paragraph (1) of this subsection.
- (c) **System of accounts.** For the purpose of accounting and reporting to the commission, each electric utility and electric cooperative shall maintain its books and records in accordance with the following prescribed uniform system of accounts:
 - (1) **Major:** uniform system of accounts as adopted and amended by the Federal Energy Regulatory Commission (FERC) for major electric utilities and electric cooperatives or other commission-approved system of accounts as will be adequately informative for all regulatory purposes.
 - (2) **Nonmajor:** uniform system of accounts as adopted and amended by the FERC for nonmajor electric utilities and electric cooperatives or other commission-approved system of accounts as will be adequately informative for all regulatory purposes.
- (d) **Other system of accounts.** When an electric utility or electric cooperative has adopted a uniform system of accounts required or approved by a state or federal agency other than the FERC (e.g., United States Department of Agriculture - Rural Utilities Service), that system of accounts may be adopted by the electric utility or electric cooperative after notification to the commission.
- (e) **Merchandise accounting.** Each electric utility and electric cooperative shall keep separate accounts to show all revenues and expenses resulting from the sale or lease of appliances, fixtures, equipment, directory advertising, or other merchandise.
- (f) **Accounting period.** Each electric utility and electric cooperative shall keep its books on a monthly basis so that for each month all transactions applicable thereto shall be entered in the books of the electric utility or electric cooperative.
- (g) **Rules related to capitalization of construction costs.** Each electric utility and electric cooperative shall accrue allowance for funds used during construction on construction work in progress to the extent not included in rate base. In the event construction work in progress is included in rate base pursuant to the rules in §25.231(c)(2)(D) of this title (relating to Cost of Service), capitalization of allowance for funds used during construction for electric utilities and electric cooperatives shall be discontinued to the extent construction work in progress is included.