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Purpose and Scope

In accordance with the *OEB Act, 1998,* licence conditions may include provisions specifying methods or techniques to be applied in determining the licensee's rates. In addition, the Board may establish standards, targets and criteria for utility performance evaluation purposes.

The Board has adopted a price cap mechanism to be applied in determining rates and has established performance criteria for electric distributors. For the purpose of this Article, this method of regulation is referred to as Performance Based Regulation ("PBR").

Accounting for Specific Items Performance Based Regulation and Related Accounts

The application of PBR will require utilities to record accounting entries to reflect the impact of regulatory requirements. The CICA Handbook recognizes that financial statements prepared for regulated businesses are to be prepared taking into account the impact of rate regulation on the financial results of the entity. However, it does not provide guidance in this area. Accordingly, the purpose of this Article is to:

- describe the Board's authority to implement PBR;
- identify the accounts that are provided in the Uniform System of Accounts (USoA) to assist in the implementation of PBR; and
- summarize the implementation procedures and requirements related to the accounts.

General Summary

This Article summarizes the accounting procedures and requirements pertaining to the PBR deferral and related accounts.

Authority to Implement Performance Based Regulation

The Board has implemented PBR pursuant to the following sections of the *OEB Act, 1998*:

- section 70 (2) (e), the conditions of an electric utility's licence may include provisions specifying methods or techniques to be applied in determining the licensee's rates.
- section 70 (2) (g), the conditions of an electric utility's licence may include provisions specifying performance standards, targets and criteria.
- section 83 (1), the Board may establish standards, targets and criteria for evaluation of performance by transmitters, distributors and retailers.
- section 83 (2), the Board may have regard to the standards, targets and criteria referred to in section 83 (1) in exercising its powers and performing its duties under this or any other Act in relation to transmitters, distributors and retailers, including establishing the conditions of a licence.

The discussion below follows from the implementation of PBR and has been developed in conjunction with the requirements of the Electricity Distribution Rate Handbook.

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PBR Deferral Accounts

Authority for Use
Authorization for electric utilities to use the accounts indicated below is provided in the Board's Decision with Reasons RP-1999-0034. It should be noted that authorization to use the accounts does not imply Board acceptance of any amounts recorded. Amounts recorded will be subject to review and approval by the Board for the purposes of disposition.

The accounting procedures for the listed accounts are derived from the Board's Decision with Reasons RP-2000-0069, and Board's Rate Handbook issued March 9, as amended November 3, 2000. Additional implementation details included in this article have been approved by the Board and are designed to assist utilities in recording and reporting deferred items.

Valuation of Amounts Recorded
The amounts in the deferral accounts will be recorded at their nominal amounts i.e. not be grossed up for taxes.

The amounts to be booked to the Transition and Extraordinary Costs accounts will be determined by the utility based on actual expenditures incurred.

Corporate Reorganization and Transfer By-Law Costs
Costs incurred for corporate reorganization and the transfer by-law are not eligible for transition cost treatment. In addition, these costs will not be eligible for amortization for regulatory purposes based on the Board's Decision with Reasons RP-1999-0034 that they are an expense to be borne by the shareholder.

Qualifying Transition and Extraordinary Event Costs

Financing costs
Financing costs incurred to purchase capital assets (transition or extraordinary) will neither be accumulated in the deferral account nor permitted as a regulatory expense.

In capitalizing financing charges related to assets under construction, utilities will be guided by APH Article 410. In brief, the allowance for funds used during construction (AFUDC) must be a reasonable rate, and is subject to Board approval. Utilities will cease to capitalize interest when the asset is substantially complete and ready for productive use. Note that the "Construction Work in Progress" balance will be transferred to the deferral account when the asset is substantially complete and earn the Board approved return applicable to that deferred account.

The appropriateness of the AFUDC rate used by the utility will be subsequently reviewed by the Board and will be approved based on the Board's assessment of the reasonableness of the allowance. The Board views the debt cost rate (DCR) established in the Rate Handbook as a reasonable rate to be used as the maximum allowable limit for the AFUDC in the first generation PBR period. A utility must use Table 3-1 of the Rate Handbook to determine the applicable DCR based on its deemed capital structure. The Board may revisit the appropriateness of the DCR for purposes of the AFUDC rate for the period after the first generation PBR.

The AFUDC will be applied as simple interest based on the monthly opening balance of the construction work in progress account (i.e. interest shall not be compounded). It should be noted the use of the DCR does not imply automatic Board acceptance of this rate. Other factors will be considered in the Board's assessment of the AFUDC such as the rates offered by financial institutions and other potential sources of financing.

Return on Deferred Capital Amounts

Capital assets recorded in these deferral accounts will be eligible to earn a "return".

However, no "return" will accrue on capital assets under construction (i.e. account 2055, Construction Work in Progress-Electric) since the AFUDC rate will be attributable to these capital expenditures until the asset is ready for productive service. The capital asset shall be transferred from "Construction Work in Progress" to the deferred account when the asset is ready for productive service.

The rate of return will be equal to the DCR based on the deemed capital structure for the utility and will be applied as simple interest based on the monthly opening balances in the deferral accounts (i.e. interest shall not be compounded).

Return on Deferred Non-Capital Amounts

Utilities will also be entitled to a return on non-capital amounts recorded in these accounts.

The rate of return will be equal to the DCR based on the deemed capital structure for the utility and will be applicable to all non-capital amounts in the deferral accounts. The rate will be applied as simple interest based on the monthly opening balances in the deferral accounts (i.e. interest shall not be compounded).

The return calculated on both the non-capital and capital components of deferral accounts should be added to non-capital component of the deferral account as the return is not a capital item.

Amortization of Capital Components within Deferral Accounts

Utilities will be required to amortize the capital components of the Transition and/ or Extraordinary Cost accounts similar to the manner in which those assets would be amortized had they been included in the rate base. The accounting treatment will be a credit to an Accumulated Amortization sub-account within the deferral account and a debit to the non-capital sub-account for the amortization amount.

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The amount of the amortization expense will depend on the type of capital asset. Consequently, reference should be made to the guidance provided in Appendix E of the Rate Handbook ("Capital Assets - Amortization Rates").

Note that the treatment described above for regulatory purposes will not change the requirements for income tax purposes. For example, where the capital assets in the deferral accounts are amortized at a rate different from the capital cost allowance rate prescribed by the *Income Tax Act (ITA)*, utilities will still be required to maintain records for the different requirements of the *ITA* as they would for any other asset subject to such differences.

No prior approval will be required for this accounting treatment. However, the Board may review the entries in the future.

Classifying and Recording Transition Costs

Guidance is provided in this sub-section to facilitate consistency in classifying and recording transition costs. The following list provides nine general categories of activities that will be used to record transition costs. The costs collected under each listed general category of activity will be recorded in a separate capital and / or non-capital sub-account within the deferral account. For example, if a utility purchases a new billing system for the sole purpose of facilitating unbundled customer billing that meets all the conditions of the four-part criteria test in the Rate Handbook, the asset would be recorded in a billing activity capital sub-account and the related amortization expense would be recorded in a billing activity non-capital sub-account. Note that the Board will consider other significant activities if the utility can demonstrate that expenses associated with an activity are consistent with the Board's assessment criteria.

1. Billing activities (e.g. system modifications/ purchases to support unbundled customer billing, billing for standard supply customers and distributor billing options for retailers).
2. Customer education activities (e.g. billing inserts and call centres).
3. Wholesale market requirements (e.g. metering, settlement systems and validation, editing and estimation process).
4. IMO requirements (e.g. prudential requirements, registration, communication and market readiness testing).
5. Retailer/ customer requirements (e.g. retailer registration, prudential requirements, customer/ retailer information systems, and electronic business transactions system).
6. Staff adjustment activities (e.g. severance, counseling and retraining).
7. Regulatory costs (e.g. OEB license fee and proceeding costs).
8. Taxes (payments in lieu of taxes) to the extent an allowance is not provided by the Board in base rates.
9. Regulatory requirements (e.g. staff contract assistance and systems to accommodate record keeping, monitoring and filing requirements).

It should be noted transition cost eligibility is based on utility specific circumstances and shall be determined in accordance with the eligibility criteria established in the Rate Handbook. Consequently, utilities will be required to apply the four-part criteria test provided in the Rate Handbook on costs in order to determine their eligibility for "qualifying" transition cost treatment.

It is particularly important to note that the materiality and causality criteria must be applied to transition costs in an ungrouped or segregated basis (i.e. the aggregating of costs that belong in the different general category of activity listed above is not permitted in order to test the materiality and causality criteria of the Rate Handbook).

With respect to the materiality criterion, a utility should separately record costs in the sub-account (classified by the general category of activity or "other" activity noted above) if the utility expects these costs will be material and subsequently eliminate the recorded amounts if the materiality assumptions proves to be incorrect. This test will be applied on the year-end balances of each of the activity or "other" activity sub-accounts based on the utility's year-end financial results. Capital and non-capital sub-accounts of each activity are however combined for the purpose of applying the materiality and causality criteria.

It is important to note also that the Other Regulated Charges discussed in Chapter 11 of the Rate Handbook are not to be included in the Qualifying Transition Cost. Separate variance accounts will be used to record other regulated charges.

Ineligible Transition Costs

The following is a non-exhaustive listing of ineligible transition cost/ items:

1. Incorporation and corporate reorganization costs (e.g. legal and consulting) of wires company and affiliate/ related company associated with but not limited to transfer-by-law and shareholder agreement.
2. Additions of staff (permanent, temporary, or consultants) required for transition activities unrelated to the "wires only" distribution restructuring.
3. Business plans or studies related to restructured business (external consultant's costs including valuations or studies related to possible merger, acquisition, amalgamation and divestiture).
4. Structural/ physical separation of businesses related to electricity retailing.
5. Y2K compliance related costs.
6. Loss of funds related to contributions in aid of construction and development charges.
7. OEB annual assessment (deemed similar to avoided costs of Ontario Hydro regulation).

The above-noted costs and other costs considered by the Board to be ineligible will not qualify for transition cost treatment. For accounting purposes, these costs will be recorded in the appropriate USoA accounts in the normal manner required. As an example, the costs of incorporation including legal fees will be recorded in account 1606, Organization. For regulatory purposes however, this account will not be included in the rate base, and the related amortization expenses will not be included in the revenue requirement.

Account 1570, Qualifying Transition Costs

This account shall be used to record transition costs that meet the four qualifying criteria established in the Electricity Distribution Rate Handbook. Note that costs related to corporate reorganization and to the transfer by-law are not eligible for transition cost treatment.

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Simple interest shall be calculated based on monthly opening balances in the account exclusive of the accumulated interest.

This account shall be further sub-divided by the appropriate general categories of activities as prescribed by the Board. Consequently, qualifying transition cost transactions shall be recorded in the appropriate sub-accounts to capture such costs as shown in the table below.

Records shall be maintained in a manner that permits ready identification of each cost contained in this account. More specifically, records shall be maintained as to permit the separate identification of any capital and non-capital cost components of this account. The capital sub-account will include capital assets that generally are included in the utility's rate base for rate-making purposes while the non-capital sub-account records the related annual amortization expense and operating and maintenance costs.

Entry at time of deferral
This account shall be debited with the amount deferred to a future period. The offsetting credit shall be recorded in the appropriate cash and/ or asset account as applicable.

Entry to record return on deferred amounts
This account shall be debited with an amount equal to the allowed return on the qualifying transition costs. The offsetting credit shall be to account 4405, Interest and Dividend Income.

Record keeping requirements/ sub-accounts
The following table summarizes the record keeping requirements/ sub-accounts associated with account 1570, Qualifying Transition Costs.

General Categories of Activity	Capital Sub-account	Accumulated Amortization	Non-capital Sub-account
1. Billing Activities	✓	✓	✓
2. Customer Education Activities	✓	✓	✓
3. Wholesale Market Requirements	✓	✓	✓
4. IMO Requirements	✓	✓	✓
5. Retailer/ Customer Requirements	✓	✓	✓
6. Staff Adjustment Activities			✓
7. Regulatory Costs			✓
8. Regulatory Requirements			✓
9. Taxes (payments in lieu of taxes if applicable)			✓
10. Others (if applicable)			

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Account 1572, Extraordinary Event Costs
This account shall be used to record extraordinary event costs that meet the qualifying criteria established in the Electricity Distribution Rate Handbook.

Simple interest shall be calculated based on monthly opening balances in the account exclusive of the accumulated interest.

Extraordinary events by their nature are unique; therefore, this account shall be further sub-divided to reflect the nature of the activity resulting in the extraordinary expense entry. Consequently, extraordinary event costs transactions shall be recorded in appropriate sub-accounts for transactions of the same nature.

Records shall be maintained in a manner that permits ready identification of each cost contained in this account. More specifically, records shall be maintained as to permit the separate identification of any capital and non-capital cost components of this account. The capital sub-account will include capital assets that generally are included in the utility's rate base for rate-making purposes while the non-capital sub-account records the related annual amortization expense and operating and maintenance costs.

Entry at time of deferral
This account shall be debited with the amount deferred to a future period. The offsetting credit shall be recorded in the appropriate cash and/ or asset account as applicable.

Entry to record return on deferred amounts
This account shall be debited with an amount equal to the allowed return on extraordinary event costs. The offsetting credit shall be to account 4405, Interest and Dividend Income.

Disposition of Deferred Amounts
The Board's PBR Decision with Reasons PR-2000-0069 indicated that there will be a separate review of the issues regarding the appropriate timing and mechanism for the recovery of re-engineering costs after the market opens. Accordingly, specific procedures are not yet established with respect to disposition of amounts from these accounts.

It should be noted however, where an approval is granted by the Board in the future for the disposition of a certain amount contained in the Transition Cost account 1570 and/or the Extraordinary Cost account 1572, the utility shall reduce the deferral account by the actual amount collected on a monthly basis. Consequently, the revenues collected as a result of an approved disposition shall be recorded as a credit to the related deferral account.

The return earned on these accounts will be determined on the net balances of these accounts.

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Account Usage Example

Example 1: Capital purchase and related costs:

A utility purchased a new computer system for the purposes of the wholesale settlement activities on January 15. The purchase price including installation was $100,000 and it was financed at 10% interest per year. Note that the financing was not included in the purchase price.

The purchase meets the criteria for transition cost treatment. This asset would normally be amortized over 5 years using straight-line amortization according to the guidance provided in Appendix E of the Rate Handbook ("Capital Assets-Amortization Rates").

The asset related recurring operation, maintenance and administrative expenses are $15,000 per year incurred on each November 15.

The debt cost rate (DCR) based on the deemed capital structure for the utility is 7.25% (according to Table 3-1 of the Rate Handbook).

Accounting treatment

The purchase cost of $100,000 on January 15 would be recorded in account 1570, Qualifying Transition Costs under the category of activity "market participation requirement" capital sub-account. The offsetting credit is recorded in a liability account, for example, account 2225, Notes and Loans Payable.

On November 15, an amount equal to $15,000 would be credited to the relevant operation, maintenance, and administrative expense accounts and debited to the category of activity "market participation requirement" non-capital sub-account of account 1570. At year-end, a return on the non-capital portion of account 1570 is allowed equal to the DCR based on the deemed capital structure for the utility (7.25% in this case). The return is calculated as simple interest based on the opening monthly balance for the non-capital portion of account 1570. Since the opening monthly balance for the non-capital portion was $15,000 for December of this year, the return is calculated to be $90 ($15,000*7.25% *1/12= $90).

At December 31 of the year, the computer system would have depreciated $20,000. A journal entry would record as a credit the $20,000 amortization amount in a "market participation requirement" Accumulated Amortization sub-account, and the offsetting debit (for the amortization expense) would be recorded to the non-capital sub-account for "market participation requirement". Note that a return is allowed on the total non-capital portion of the deferral account, which should include the amortization expense. However, since the opening balance for the amortization expense sub-account is nil for this example, the return is nil.

At December 31, a return on the capital assets will accrue equal to the DCR applicable to the utility will be applied to all capital amounts in this account (1570). The return is calculated as simple interest based on the opening monthly balance for the capital portion of account 1570. Therefore, since the opening monthly balance for the capital portion was $100,000 for eleven months of this year, the return is calculated to be $6,646 ($100,000*7.25%*11/12= $6,646).

Note that this return on the capital portion should be calculated on the net balance. In this example the opening monthly balance is $100,000. However, in the following year the net opening balance will take into account the Accumulated Amortization amount of $20,000 for this year (credit). Consequently, for Jan. 1 the net balance in the sub-account, which will be subject to the return calculation, will be $80,000.

Note also at December 31, the utility would have accrued an interest expense on the loan of $100,000 at rate of 10%. This interest expense of $9,583 ($100,000*10%*11.5/12) will neither be accumulated in the deferral account nor permitted as a regulatory expense.

The accounting entries are summarized in the table below.

Event	Account	Entry
Jan.15, Purchase	1570, Qualifying Transition Costs	$100,000 DR "market participation requirement" (capital sub-account)
	2225, Notes and Loan Payable	$100,000 CR
Nov. 30, Operating, Maintenance, Administration re-allocation	1570, Qualifying Transition Costs	$15,000 DR "market participation requirement" (non-capital sub-account)
	O&M/ Admin.	$15,000 CR
Dec. 31, Amortization	1570, Qualifying Transition Costs	$20,000 DR "market participation requirement" (non-capital sub-account) $20,000 CR "market participation requirement" (accumulated amortization sub-account)
Dec. 31, Return on capital component	1570, Qualifying Transition Costs	$6,646 DR "market participation requirement" (non-capital sub-account)
	4405, Interest and Dividend Income	$6,646 CR
Dec. 31, Return on non-capital component	1570, Qualifying Transition Costs	$90 DR "market participation requirement" (non-capital sub-account)
	4405, Interest and Dividend Income	$90 CR
Dec. 31, Interest on loan	6035, Other Interest Expense	$9,583 DR
	2225, Notes and Loan Payable	$9,583 CR

Summary Of Year End Balances – Example 1	1570, Qualifying Transition Costs	$100,000 DR "market participation requirement" (capital sub-account) $20,000 CR "market participation requirement" (accumulated amortization sub-account) $41,736 DR "market participation requirement" (non-capital sub-account)
	2225, Notes and Loan Payable	$109,583 CR
	4405, Interest and Dividend Income	$6,736 CR
	O&M/Admin.	$15,000 CR
	6035, Other Interest Expense	$9,583 DR

Example 2: Construction work in progress and related costs:

A utility started work January 31 on a development project of a new billing system for the sole purpose of facilitating unbundled customer billing. The purchase price of the hardware and system equipment for the billing system was $125,000, financed at 8% interest per year. Note that financing was not included in the purchase price.

The billing system development project involved several phases as summarized by activity and related costs including external labor in the table below. Note that a second loan was required for the software development, which also was financed at 8% interest per year.

The completed billing system meets the criteria for transition cost treatment. Normally, this asset would be amortized over 5 years using straight-line amortization according to the guidance provided in Appendix E of the Rate Handbook ("Capital Assets-Amortization Rates").

The asset related recurring operation, maintenance and administrative expenses are $10,000 per year incurred on each November 30.

The debt cost rate (DCR) based on the deemed capital structure for the utility is 7.25% (according to Table 3-1 of the Rate Handbook).

Date	Project Activity	Costs
Jan 31	Hardware for billing system – purchased	$125,000
Apr 30	Software development – completed	$50,000
Jun 30	Software testing – completed	$10,000
Jun 30	Compliance testing – completed	$5,000
Jul 7	Complete billing system implemented	N/A
Nov 30	Operation, maintenance and administrative expenses	$10,000

Accounting treatment
The hardware and equipment purchase costs of $125,000 would be recorded in account 2055, Construction Work in Progress-Electric, under a project sub-account on January 31 with the offsetting credit to a liability account, for example, account 2225, Notes and Loans Payable. On April 30, the software development phase of the project was completed. The cost of $50,000 would be debited to account 2055, Construction Work in Progress-Electric, project sub-account and credited to account 2225, Notes and Loans Payable. The last two phases of the project, software and compliance testing were completed on June 30. The total costs of $15,000 would be debited to account 2055, Construction Work in Progress-Electric, project sub-account and credited to account 2205, Accounts Payable.

On July 7, the billing system was completed and ready for productive use. An allowance for used funds during construction (AFUDC) is calculated based on the DCR for the utility and is applied as simple interest on the monthly opening balances of the Construction Work in Progress-Electric, project sub-account. In this example, the DCR is 7.25%. Therefore the AFUDC is $5,529 calculated as follows-: Feb to Apr: ($125,000*7.25%*3/12) = $2,266 + May to Jun: ($175,000*7.25%*2/12) = $2,115 + Jul: ($190,000*7.25%*1/12) = $1,148. The entry to record the AFUDC would be a debit to account 2055, Construction Work in Progress-Electric, project sub-account and a credit to account 6040, Allowance For Borrowed Funds Used During Construction-Credit.

The completed billing system meets the four-part test for transition costs treatment. On July 7, it is transferred to the deferral account with the following entry: $195,529 debit to account 1570, Qualifying Transition Costs "billing activity" capital sub-account and $195,529 credit to account 2055, Construction Work in Progress-Electric, project sub-account.

On November 30, an amount equal to $10,000 would be credited to the relevant operation, maintenance, and administrative expense accounts and debited to the non-capital sub-account for "billing activities" of account 1570. At year-end, a return on the non-capital portion of account 1570 is allowed equal to the DCR for the utility (7.25%). The return is calculated as simple interest based on the opening monthly balance for the non-capital portion of account 1570. Since the opening monthly balance for the capital portion was $10,000 for December of this year, the return is calculated to be $60 ($10,000*7.25% *1/12 = $60).

At December 31 of the year, the billing system would have depreciated $39,106 ($195,529 *20%). A journal entry would record as a credit the $39,106 amortization amount in the "billing activities" Accumulated Amortization sub-account and the offsetting debit (for the amortization expense) would be recorded to the non-capital sub-account for billing activities, both within account 1570.

At December 31, a return on the capital assets will accrue equal to the DCR to all capital amounts in this account (1570). The return is calculated as simple interest based on the opening monthly balance for the capital portion of account 1570. Therefore, since the opening monthly balance for the capital portion was $195,529 for the months of August through December, the return is calculated to be $5,907 ($195,529 *7.25%*5/12 = $5,907).

Note also at December 31, the utility would have accrued interest expenses on the two loans. The total interest expense for the period was $11,834 calculated as follow-: loan #1 Feb to Dec ($125,000*8%*11/12)=$9,167 + loan #2 May to Dec ($50,000*8%*8/12)=$2,667. This interest expense will neither be accumulated in the deferral account nor permitted as a regulatory expense.

The accounting entries are summarized in the table below.

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Event	Account	Entry
Jan. 21, Hardware Purchase	2055, CWIP-Electric	$125,000 DR (project sub-account)
	2225, Notes and Loan Payable	$125,000 CR
Apr. 30, Software development	2055, CWIP-Electric	$50,000 DR (project sub-account)
	2225, Notes and Loan Payable	$50,000 CR
Jun. 30, Software and compliance testing	2055, CWIP-Electric	$15,000 DR (project sub-account)
	2205, Accounts Payable	$15,000 CR
Jul. 7, Financing cost – AFUDC (shown as one entry for convenience)	2055, CWIP-Electric	$5,529 DR (project sub-account)
	6040, Allowance For Borrowed Funds Used During Construction-Credit	$5,529 CR
Jul. 7, Completed billing system transferred	1570, Qualifying Transition Costs	$195,529 DR "billing activities" (capital sub-account)
	2055, CWIP-Electric	$195,529 CR (project sub-account)
Nov. 30, Operating, Maintenance, Administration (re-allocation)	1570, Qualifying Transition Costs	$10,000 DR "billing activities" (non-capital sub-account)
	O&M/ Admin.	$10,000 CR
Dec. 31, Amortization	1570, Qualifying Transition Costs	$39,106 DR "billing activities" (non-capital sub-account) $39,106 CR "billing activities" (accumulated amortization capital sub-account)
Dec. 31, Return on capital component	1570, Qualifying Transition Costs	$5,907 DR "billing activity" (non-capital sub-account)
	4405, Interest and Dividend Income	$5,907 CR
Dec. 31, Return on non-capital component	1570, Qualifying Transition Costs	$60 DR "billing activity" (non-capital sub-account)
	4405, Interest and Dividend Income	$60 CR

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Event	Account	Entry
Dec. 31, Interest on loans	6035, Other Interest Expense	$11,834 DR
	2225, Notes and Loan Payable	$11,834 CR

Summary Of Year End Balances – Example 2	1570, Qualifying Transition Costs	$195,529 DR "billing activities" (capital sub-account) $39,106 CR "billing activities" (accumulated amortization sub-account) $55,073 DR "billing activities" (non-capital sub-account)
	2205, Accounts Payable	$15,000 CR
	2225, Notes and Loan Payable	$186,834 CR
	4405, Interest and Dividend Income	$5,967 CR
	O&M/ Admin	$10,000 CR
	6035, Other Interest Expense	$11,834 DR
	6040, Allowance For Borrowed Funds Used During Construction-Credit	$5,529 CR

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