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UNIFORM SYSTEM OF ACCOUNTING

REGULATORY CHART OF ACCOUNTS AND INSTRUCTIONS
TO THE REGULATORY CHART OF ACCOUNTS FOR
GEORGIAN REGULATED GAS SECTOR COMPANIES

ACCOUNTS 1000 - 1999

USAID ENERGY PROGRAM

21 May 2019

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DATA

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ACRONYMS

CoA	Chart of Accounts
GNERC	Georgian National Energy and Water Supply Regulatory Commission
HIPP	Hydropower Investment Promotion Program
HPP	Hydro Power Plant
USAID	United States Agency for International Development
USoA	Unified System of Accounting

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BACKGROUND

According to the international best practice, regulatory financial information must be relevant, reliable, comparable, verifiable, transparent and comprehensive. To ensure the coherence of data, to avoid double counting and to detect anti-competitive effects its common practice in United States of America, Canada, Asia and Some European Union countries to develop and implement the regulatory accounting – unified accounting system for rate regulated entities so called Uniform System of Accounting.

USAID through its Hydropower Investment Promotion Project (March 2010 – August 2013) and its Hydro Power and Energy Planning Project (starting September 2013) provided guidance to GNERC in reforming the regulatory framework including development of the Unified System of Accounting (USoA) for the electricity sector of Georgia. It was developed Regulatory Chart of Accounts (CoA) for the electricity sector, instructions to the chart of accounts and performed capacity building of GNERC and the electricity sector generation, transmission, dispatch and distribution licensees. Later in December 2016 USoA and its constituent parts were approved by GNERC through its administrative procedures. USoA for rate regulated electric utilities would become mandatory from January 2019. The period between the approval of USoA and its mandatory application were allocated for the preparatory works for the transition to the regulatory accounting mandatory rules.

Considering the success in the past, in 2018 GNERC has applied USAID Energy Program with the request to support development of USoA for rate regulated utilities performing licensed activities in gas sector of Georgia.

As for electricity sector, Gas USoA proposed to provide a sound basis for recording of expenses and assets of rate regulated gas utilities. Similarly, to the Electric USoA It includes a Regulatory Chart of Accounts, Instructions to CoA, General and Special Guidelines, Reports and Instructions to Reports that financial information can be properly recorded and traced for the purpose of sector regulation. This document was developed as the unbundled part of USoA for Georgian Gas Regulation with the purpose to be approved by the end of 2019 and applied for next year.

The USoA has proven to be a good tool for financial management of the utilities and without exception, the increased level of information provided by the USoA to utility management allows for better cost control and insights on the efficiency of their companies. It is a win-win success story as both consumers and investors reap benefits from this proven approach to regulatory oversight.

INTRODUCTION

Presented Regulatory Chart of Accounts and Instruction to CoA was developed for Uniform System of Accounting for Georgian Regulated Gas Sector. The document has a purpose to help Georgian Regulator to adopt USoA for Gas Sector as part of actual regulation of licensed companies.

This document is presenting Accounts 1000 – 1999.

There is no duplication of statements if it is not a part of the amendment.

For the purpose of user-friendly application:

- The recommendations are given as part of Georgian text in English,
- The additions are presented in **green**
- The amendments are presented in **red in English** for new version and in ~~red-strikethrough style in Georgian~~ for old version.
- General text style is used for the case, when the whole document is presenting new (separate) meaning.

1.0 REGULATORY CHART OF ACCOUNT, ACCOUNTS 1000 – 1999 (CURRENT ASSETS)

1410.2	RECEIVABLES: GAS REGULATED ACTIVITY
1410.21	RECEIVABLES, GAS REGULATED ACTIVITY: [RESERVE]
1410.22	RECEIVABLES, GAS REGULATED ACTIVITY: TRANSMISSION / TRANSPORTATION
1410.23	RECEIVABLES, GAS REGULATED ACTIVITY: DISTRIBUTION
1410.24	RECEIVABLES, GAS REGULATED ACTIVITY: SUPPLY
1410.25	RECEIVABLES, GAS REGULATED ACTIVITY: STORAGE
1410.29	RECEIVABLES, GAS REGULATED ACTIVITY: OTHER
1410.9	მოთხოვნები მიწოდებიდან და მომსახურებიდან, არარეგულირებადი საქმიანობა
1910.1	სხვა მიმდინარე აქტივები; რეგულირებადი ელექტროენერგეტიკული საქმიანობა
1911.2	OTHER CURRENT ASSETS: GAS REGULATED ACTIVITY
1910.9	სხვა მიმდინარე აქტივები; არარეგულირებადი საქმიანობა

2.0 INSTRUCTIONS ON APPLICATION OF REGULATORY CHART OF ACCOUNT, ACCOUNTS 1000 – 1999 (CURRENT ASSETS)

ACCOUNT 1000 ‘CURRENT ASSETS’

No changes

ACCOUNT 1100 ‘CASH ON HAND’

No changes

ACCOUNT 1110 ‘CASH ON HAND LOCAL CURRENCY’

No changes

ACCOUNT 1120 ‘CASH ON HAND FOREIGN CURRENCY’

No changes

ACCOUNT 1200 ‘CASH IN BANK’

No changes

ACCOUNT 1210 ‘BANK - NATIONAL CURRENCY (RESIDENT BANKS)’

No changes

ACCOUNT 1220 ‘BANK - FOREIGN CURRENCY (RESIDENT BANKS)’

No changes

ACCOUNT 1230 ‘INTERNATIONAL BANK-FOREIGN CURRENCY’

No changes

ACCOUNT 1290 ‘CASH ON OTHER BANK ACCOUNT’

No changes

ACCOUNT 1300 ‘SHORT-TERM INVESTMENTS’

No changes

ACCOUNT 1310 ‘MARKETABLE SECURITIES’

No changes

ACCOUNT 1320 ‘GOVERNMENT SECURITIES’

No changes

ACCOUNT 1330 ‘CURRENT PORTION OF LONG-TERM INVESTMENTS’

No changes

ACCOUNT 1390 ‘OTHER SHORT-TERM INVESTMENTS’

No changes

ACCOUNT 1400 'SHORT-TERM RECEIVABLES'

No changes

ACCOUNT 1410 'ACCOUNTS RECEIVABLE – TRADE'

ანგარიში **1410** “მოთხოვნები მიწოდებიდან და მომსახურებიდან”

ანგარიში 1410 “მოთხოვნები მიწოდებიდან და მომსახურებიდან” მოიცავს ფინანსურ ინფორმაციას მომხმარებლების მიერ ასანაზღაურებელი სახსრების შესახებ, რომლებიც წარმოიქმნა პროდუქტის/აღჭურვილობის რეალიზაციის ან ჩვეულებრივი სამეწარმეო საქმიანობის შედეგად და რომლებიც დაიფარება მიმდინარე პერიოდში.

ანგარიში 1410 არის კონსოლიდირებული ანგარიში. იგი აერთიანებს ფინანსური ინფორმაციას შემდეგი ქვეანგარიშების შესახებ:

ანგარიში 1410.1 “მოთხოვნები მიწოდებიდან და მომსახურებიდან, რეგულირებადი ელექტროენერგეტიკული საქმიანობა”,

Account 1410.2 'Receivables: Gas Regulated Activity',

ანგარიში 1410.9* “მოთხოვნები მიწოდებიდან და მომსახურებიდან, არარეგულირებადი საქმიანობა”.

სხვა ქვეანგარიშები დაუშვებელია. ამ ანგარიშით პირდაპირი ტრანზაქციის განხორციელება დაუშვებელია.

* Coding in Instruction part of Chart of Account is correct, while it is “2” in Regulatory Chart of Account in section 2 (ნაწილი II. ანგარიშთა რეგულირებადი გეგმა) that should be corrected.

ACCOUNT 1410.1 'RECEIVABLES FOR REGULATED ACTIVITY: ELECTRICITY'

No changes for this account and its sub-accounts

ACCOUNT 1410.2 'RECEIVABLES: GAS REGULATED ACTIVITY'

The Account 1410.2 'Receivables: Gas Regulated Activity' shall include the financial information of the amounts due from customers for sales of regulated products, equipment and other accounts receivable arising from the normal course of gas regulated business and currently collectible.

The Account 1410.2 is the aggregating account. It aggregates the financial information of following sub accounts:

Account 1410.21 'Receivables, Gas Regulated Activity: [Reserve]',

Account 1410.22 'Receivables, Gas Regulated Activity: Transmission / Transportation',

Account 1410.23 'Receivables, Gas Regulated Activity: Distribution',

Account 1410.24 'Receivables, Gas Regulated Activity: Supply',

Account 1410.25 'Receivables, Gas Regulated Activity: Storage',

Account 1410.29 'Receivables for Other Gas Regulated'.

No other Sub-account is allowed. No direct transaction with this account is allowed.

ACCOUNT 1410.21 'RECEIVABLES, GAS REGULATED ACTIVITY: [RESERVE]'

The Account 1410.21 'Receivables, Gas Regulated Activity: [Reserve]' shall include the financial information of the amounts due from customers for sales of a gas services arising from the normal course of gas regulated business and currently collectible.

The account is reserved for further use. No direct transaction with this account and no Sub-account is allowed until special decision from Regulator applied to similar licensees.

ACCOUNT 1410.22 ‘RECEIVABLES, GAS REGULATED ACTIVITY: TRANSMISSION / TRANSPORTATION’

The Account 1410.22 ‘Receivables, Gas Regulated Activity: Transmission / Transportation’ shall include the financial information of the amounts due from customers for sales of gas transmission / transportation services arising from the normal course of gas regulated business and currently collectible.

[Standard Transactions]

ACCOUNT 1410.23 ‘RECEIVABLES, GAS REGULATED ACTIVITY: DISTRIBUTION’

The Account 1410.23 ‘Receivables, Gas Regulated Activity: Distribution’ shall include the financial information of the amounts due from customers for sales of gas distribution network services arising from the normal course of gas regulated business and currently collectible.

[Standard Transactions]

ACCOUNT 1410.24 ‘RECEIVABLES, GAS REGULATED ACTIVITY: SUPPLY’

The Account 1410.24 ‘Receivables, Gas Regulated Activity: Supply’ shall include the financial information of the amounts due from customers for sales of distribution supply services arising from the normal course of gas regulated business and currently collectible.

[Standard Transactions]

ACCOUNT 1410.25 ‘RECEIVABLES, GAS REGULATED ACTIVITY: STORAGE’

The Account 1410.25 ‘Receivables, Gas Regulated Activity: Storage’ shall include the financial information of the amounts due from customers for sales of gas storage services arising from the normal course of gas regulated business and currently collectible.

[Standard Transactions]

ACCOUNT 1410.29 ‘RECEIVABLES, GAS REGULATED ACTIVITY: OTHER’

The Account 1410.29 ‘Receivables, Gas Regulated Activity: Other’ shall include the financial information of the amounts due from customers for sales of other than stated above gas regulated services arising from the normal course of gas regulated business and currently collectible.

[Standard Transactions]

ACCOUNT 1410.9 ‘RECEIVABLES FOR NON-REGULATED ACTIVITY’

No changes

ACCOUNT 1415 ‘ALLOWANCE FOR DOUBTFUL DEBTS’

No changes

ACCOUNT 1420 ‘ACCOUNT RECEIVABLES FROM SUBSIDIARIES’

No changes

ACCOUNT 1430 ‘ACCOUNT RECEIVABLES – EMPLOYEES’

No changes

ACCOUNT 1440 ‘ACCOUNT RECEIVABLES - OFFICERS AND DIRECTORS’

No changes

ACCOUNT 1450 ‘ACCOUNT RECEIVABLES - PARTNERS ON THE LOANS ISSUED’

No changes

ACCOUNT 1460 'PAYMENTS RECEIVED FROM PARTNERS FOR SUBSCRIPTION'

No changes

ACCOUNT 1470 'CURRENT PORTION OF LONG-TERM RECEIVABLES'

No changes

ACCOUNT 1480 'PREPAYMENTS TO SUPPLIERS'

No changes

ACCOUNT 1485 'PREPAYMENTS TO CUSTOM-HOSE'

No changes

ACCOUNT 1490 'OTHER SHORT-TERM RECEIVABLES'

No changes

ACCOUNT 1500 'SHORT-TERM NOTES RECEIVABLE'

No changes

ACCOUNT 1510 'NOTES RECEIVABLE DUE WITHIN ONE YEAR'

No changes

ACCOUNT 1520 'THE CURRENT PORTION OF LONG-TERM NOTES'

No changes

ACCOUNT 1600 'INVENTORY'

No changes

ACCOUNT 1610 'GOODS'

No changes

ACCOUNT 1620 'MATERIALS AND SUPPLIES'

No changes

ACCOUNT 1630 'SEMI-PRODUCTS'

No changes

ACCOUNT 1635 'INTERIM ACCOUNT'

No changes

ACCOUNT 1640 'FINISHED PRODUCTS'

No changes

ACCOUNT 1690 'OTHER INVENTORY (FUEL, TARE)'

No changes

ACCOUNT 1700 'PREPAID EXPENSES'

No changes

ACCOUNT 1710 'PREPAID SERVICES'

No changes

ACCOUNT 1720 'PREPAID LEASE'

No changes

ACCOUNT 1790 'PREPAID OTHER'

No changes

ACCOUNT 1800 'ACCRUED RECEIVABLES'

No changes

ACCOUNT 1810 'ACCRUED DIVIDENDS RECEIVABLE'

No changes

ACCOUNT 1820 'ACCRUED INTEREST RECEIVABLE'

No changes

ACCOUNT 1890 'OTHER ACCRUED RECEIVABLES'

No changes

ACCOUNT 1900 'OTHER CURRENT ASSETS'

No changes

ACCOUNT 1910 'OTHER CURRENT ASSETS'

ანგარიში **1910** "სხვა მიმდინარე აქტივები"

ანგარიში 1910 "სხვა მიმდინარე აქტივები" მოიცავს ფინანსურ ინფორმაციას კომპანიის აქტივების შესახებ, ნადი ფულის, ფასიანი ქაღალდების, მოთხოვნების, სასაქონლო მატერიალურ მარაგებისა და წინასწარი გადახდების გარდა, რომელთა ფულად ქცევა შესაძლებელია ერთი საოპერაციო ციკლის განმავლობაში, რომელიც როგორც წესი, არ აღემატება ერთ წელს. სხვა მიმდინარე აქტივები შეიტანება კომპანიის საბუღალტრო ბალანსში და არის კომპანიის მთლიანი აქტივების ნაწილი. შეზღუდული ფულადი სახსრები და ინვესტიციები შეიძლება შეტანილ იქნეს ამ ანგარიშში.

ანგარიში 1910 არის კონსოლიდირებული ანგარიში და მოიცავს ფინანსურ ინფორმაციას შემდეგი ქვეანგარიშების შესახებ:

ანგარიში 1910.1 "სხვა მიმდინარე აქტივები, რეგულირებადი ელექტროენერგეტიკული საქმიანობა";

Account 1910.2 'Other Current Assets: Gas Regulated Activity',

ანგარიში 1910.92 "სხვა მიმდინარე აქტივები, არარეგულირებადი საქმიანობა"

სხვა ქვეანგარიშები დაუშვებელია. ამ ანგარიშით პირდაპირი ტრანზაქციის განხორციელება დაუშვებელია.

ACCOUNT 1910.1 'OTHER CURRENT ASSETS: REGULATED ELECTRICITY ACTIVITY'

No changes

ACCOUNT 1910.2 ‘OTHER CURRENT ASSETS: GAS REGULATED ACTIVITY’

The Account 1910.2 ‘Other Current Assets: Gas Regulated Activity’ shall include the financial information of other than stated above current assets are reasonably expected to last, be in use or to be converted into cash within one year in the normal course of business for gas regulated activity.

[Standard Transactions]

ACCOUNT 1910.9 ‘OTHER CURRENT ASSETS: NON-REGULATED ACTIVITY’

ანგარიში 1910.92 “სხვა მიმდინარე აქტივები, არარეგულირებადი საქმიანობა” მოიცავს ფინანსურ ინფორმაციას ზემოთ ჩამოთვლილის გარდა სხვა აქტივების შესახებ, რომლებიც მოსალოდნელია რომ გამოყენებულ იქნება არარეგულირებად საქმიანობაში და გარდაიქმნება ფულად ერთი წლის ან ეკონომიკური ციკლის განმავლობაში.

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