**Section 650.200 Retirement Units Generally**

a) A retirement unit is defined as the smallest item of property which, on replacement, is required to be written out of the plant account. Expressed another way, a retirement unit is an item of property which is not replaced through the maintenance accounts.

b) The adoption of a list of retirement units should not be construed as requiring a classification of utility plant in the accounts corresponding to the list of the retirement units. The retirement unit is used for the purpose of distinguishing between items replaced through the plant accounts and those replaced through maintenance and can be used in plant accounting regardless of the classification reflected by the plant accounts. For example, the plant account might show only the total cost of a structure although it may be composed of a number of retirement units.

c) The Retirement Unit Accounts 351 through 398 are to be added to the NARUC Uniform System of Accounts.