AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 7580, Mar. 12, 1987; 53 FR 30059, Aug. 10, 1988; 59 FR 46930, Sept. 13, 1994; 60 FR 12138, Mar. 6, 1995; 62 FR 39451, July 23, 1997; 64 FR 50007, Sept. 15, 1999; 67 FR 5683, Feb. 6, 2002; 69 FR 53648, Sept. 2, 2004]

EFFECTIVE DATE NOTE: At 64 FR 50007, Sept. 15, 1999, §32.2000 was amended by removing paragraph (b)(4). This section contains information collection requirements and will not become effective until approved by the Office of Management and Budget.

§32.2001 Telecommunications plant in service.

This account shall include the original cost of the investment included in Accounts 2110 through 2690.

§32.2002 Property held for future telecommunications use.

(a) This account shall include the original cost of property owned and held for no longer than two years under a definite plan for use in telecommunications service. If at the end of two years the property is not in service, the original cost of the property may remain in this account so long as the carrier excludes the original cost and associated depreciation from its ratebase and ratemaking considerations and report those amounts in reports filed with the Commission pursuant to 43.21(e)(1) and 43.21(e)(2) of this chapter.

(b) Subsidiary records shall be maintained to show the character of the amounts carried in this account.

[65 FR 16334, Mar. 28, 2000]

§32.2003 Telecommunications plant under construction.

(a) This account shall include the original cost of construction projects (note also §32.2000(c)) of this part and the cost of software development projects that are not yet ready for their intended use.

(b) There may be charged directly to the appropriate plant accounts the cost of any construction project which is estimated to be completed and ready for service within two months from the date on which the project was begun. There may also be charged directly to the plant accounts the cost of any construction project for which the gross additions to plant are estimated to amount to less than $100,000.

(c) If a construction project has been suspended for six months or more, the cost of the project included in this account may remain in this account so long as the carrier excludes the original cost and associated depreciation from its ratebase and ratemaking considerations and reports those amounts in reports filed with the Commission pursuant to §§43.21(e)(1) and 43.21(e)(2) of this chapter. If a project is abandoned, the cost included in this account shall be charged to Account 7300, Nonoperating income and expense.

(d) When any telecommunications plant, the cost of which has been included in this account, is completed ready for service, the cost thereof shall be credited to this account and charged to the appropriate telecommunications plant or other accounts.

[51 FR 43499, Dec. 2, 1986, as amended at 60 FR 12138, Mar. 6, 1995; 64 FR 50007, Sept. 15, 1999; 65 FR 16335, Mar. 28, 2000; 67 FR 5685, Feb. 6, 2002]

§32.2005 Telecommunications plant adjustment.

(a) This account shall include amounts determined in accordance with §32.2000(b) of this subpart representing the difference between (1) the fair market value of the telecommunications plant acquired, plus preliminary expenses incurred in connection with the acquisition; and (2) the original cost of such plant, governmental franchises and similar rights acquired, less the amounts of reserve requirements for depreciation and amortization of the property acquired. If the actual original cost is not known, the entries in this account shall be based upon an estimate of such costs.

(b) The amounts recorded in this account with respect to each property acquisition (except land and artworks) shall be disposed of, written off, or provision shall be made for the amortization thereof, as follows:

(1) Debit amounts may be charged in whole or in part, or amortized over a reasonable period through charges to Account 7300, Nonoperating income and expense, without further direction or approval by this Commission. When

specifically approved by this Commission, or when the provisions of paragraph (b)(3) of this section apply, debit amounts shall be amortized to Account 6565, Amortization expense—other.

(2) Credit amounts shall be disposed of in such manner as this Commission may approve or direct, except for credit amounts referred to in paragraph (b)(4) of this section.

(3) The amortization associated with the costs recorded in the Telecommunications plant adjustment account will be charged or credited, as appropriate, directly to this asset account, leaving a balance representing the unamortized cost.

(4) Within one year from the date of inclusion in this account of a debit or credit amount with respect to a current acquisition, the company may dispose of the total amount from an acquisition of telephone plant by a lump-sum charge or credit, as appropriate, to Account 6565 without further approval of this Commission, provided that such amount does not exceed $100,000 and that the plant was not acquired from an affiliated company.

[51 FR 43499, Dec. 2, 1986, as amended at 67 FR 5685, Feb. 6, 2002; 69 FR 53648, Sept. 2, 2004]

§ 32.2006 Nonoperating plant.

(a) This account shall include the company's investment in regulated property which is not includable in the plant accounts as operating telecommunications plant. It shall include the company's investment in telecommunications property held for sale. (Note also Account 1406, Nonregulated Investments.)

(b) Subsidiary records shall be maintained to show the character of the amounts carried in this account.

§ 32.2007 Goodwill.

(a) This account shall include any portion of the plant purchase price that cannot be assigned to specifically identifiable property acquired and such amount should be identified as ''goodwill''. Such amounts included in this account shall be amortized to Account 7300, Nonoperating income and expense, on a straight line basis over the remaining life of the acquired plant, not to exceed 40 years.

(b) The amounts included in this account shall be maintained to show the nature of each amount.

[51 FR 43499, Dec. 2, 1986, as amended at 67 FR 5686, Feb. 6, 2002]

§ 32.2110 Land and support assets.

This account shall be used by Class B companies to record the original cost of land and support assets of the type and character required of Class A companies in Accounts 2111 through 2124.

§ 32.2111 Land.

(a) This account shall include the original cost of all land held in fee and of easements, and similar rights in land having a term of more than one year used for purposes other than the location of outside plant (see Accounts 2411 through 2441) or externally mounted central office equipment (see Accounts 2211 and 2212). It shall also include special assessments upon land for the construction of public improvements.

(b) When land, together with buildings thereon, is acquired, the original cost shall be fairly apportioned between the land and the buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of buildings, the total cost of the land and buildings shall be accounted for as the cost of the land, and the salvage value of the buildings when disposed of shall be deducted from the cost of the land so determined.

(c) Annual or more frequent payments for use of land shall be recorded in the rent subsidiary record category for Account 6121, Land and Building Expense.

(d) When land is acquired for which there is not a definite plan for its use in telecommunications service, its costs shall be included in Account 2006, Nonoperating Plant.

(e) When land is acquired in excess of that required for telecommunications purposes, the cost of such excess land shall be included in Account 2006.

(f) Installments of assessments for public improvement, including interest, if any, which are deferred without option to the company shall be included in this account only as they become due and payable. Interest on assessments which are not paid when due