

§ 367.2360

18 CFR Ch. I (4–1–10 Edition)

§ 367.2360 Account 236, Taxes accrued.

(a) This account must be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. The credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits must be adjusted so as to include as nearly as can be determined in each year the related applicable taxes. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, must be shown under account 165, Prepayments (§367.1650).

(b) If accruals for taxes are found to be insufficient or excessive, corrections must be made through current tax accruals.

(c) Accruals for taxes must be based upon the net amounts payable after credit for any discounts, and must not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds must be credited to account 419, Interest and dividend income (§367.4190), and interest paid on deficiencies must be charged to account 431, Other interest expense (§367.4310).

(d) The records supporting the entries to this account must be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

§ 367.2370 Account 237, Interest accrued.

This account must include the amount of interest accrued but not matured on all liabilities of the service company not including, however, interest that is added to the principal of the debt on which it is incurred. Supporting records must be maintained so as to show the amount of interest accrued on each obligation.

§ 367.2380 Account 238, Dividends declared.

This account must include the amount of dividends that have been declared but not paid. Dividends must be credited to this account when they become a liability.

§ 367.2410 Account 241, Tax collections payable.

(a) This account must include the amount of taxes collected by the service company through payroll deductions or otherwise pending transmittal of the taxes to the proper taxing authority.

(b) Do not include liability for taxes assessed directly against the service company that is accounted for as part of the service company's own tax expense.

§ 367.2420 Account 242, Miscellaneous current and accrued liabilities.

This account must include the amount of all other current and accrued liabilities not provided for elsewhere, appropriately designated and supported so as to show the nature of each liability.

§ 367.2430 Account 243, Obligations under capital leases—Current.

This account must include the portion, due within one year, of the obligations recorded for the amounts applicable to leased property recorded as assets in account 101.1, Property under capital leases (§367.1011).

§ 367.2440 Account 244, Derivative instrument liabilities.

This account must include the change in the fair value of all derivative instrument liabilities not designated as cash flow or fair value hedges. Account 426.5, Other deductions (§367.4265), must be debited or credited as appropriate with the corresponding amount of the change in the fair value of the derivative instrument.

§ 367.2450 Account 245, Derivative instrument liabilities—Hedges

(a) This account must include the change in the fair value of derivative instrument liabilities designated by the service company as cash flow or fair value hedges.

(b) A service company must record the change in the fair value of a derivative instrument liability related to a cash flow hedge in this account, with a concurrent charge to account 219, Accumulated other comprehensive income (§367.2190), with the effective portion of the derivative's gain or loss.

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The ineffective portion of the cash flow hedge must be charged to the same income or expense account that will be used when the hedged item enters into the determination of net income.

(c) A service company must record the change in the fair value of a derivative instrument liability related to a fair value hedge in this account, with a concurrent charge to a subaccount of the asset or liability that carries the item being hedged. The ineffective portion of the fair value hedge must be charged to the same income or expense account that will be used when the hedged item enters into the determination of net income.

DEFERRED CREDITS

§ 367.2530 Account, 253, Other deferred credits.

This account must include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

§ 367.2540 Account 254, Other regulatory liabilities.

(a) This account must include the amounts of regulatory liabilities, not includible in other accounts, imposed on the service company by the rate-making actions of regulatory agencies. (See Definitions § 367.1(a)(38).)

(b) The amounts included in this account are to be established by those credits which would have been included in net income, or accumulated other comprehensive income, determinations in the current period under the general requirements of the USofA but for it being probable that: Such items will be included in a different period(s) for purposes of developing the rates that the service company is authorized to charge for its services; or refunds to customers, not provided for in other accounts, will be required. When specific identification of the particular source of the regulatory liability cannot be made or when the liability arises from revenues collected pursuant to tariffs on file at a regulatory agency, account 407.3, Regulatory debits (§ 367.4073), must be debited. The

amounts recorded in this account generally are to be credited to the same account that would have been credited if included in income when earned except: All regulatory liabilities established through the use of account 407.3 (§ 367.4073) must be credited to account 407.4, Regulatory credits (§ 367.4074); and in the case of refunds, a cash account or other appropriate account should be credited when the obligation is satisfied.

(c) If it is later determined that the amounts recorded in this account will not be returned to customers through rates or refunds, such amounts must be credited to Account 421, Miscellaneous income or loss (§ 367.4210), or Account 434, Extraordinary income (§ 367.4340), as appropriate, in the year such determination is made.

(d) The records supporting the entries to this account must be so kept that the service company can furnish full information as to the nature and amount of each regulatory liability included in this account, including justification for inclusion of such amounts in this account.

§ 367.2550 Account 255, Accumulated deferred investment tax credits.

This account must be credited with all investment tax credits deferred by companies that have elected to follow deferral accounting, partial or full, rather than recognizing in the income statement the total benefits of the tax credit as realized. After this election, a company may not transfer amounts from this account, except as authorized in this account and in accounts 411.4, Investment tax credit adjustments, service company property (§ 367.4114) or 411.5, Investment tax credit adjustments, other income and deductions (§ 367.4115), or with approval of the Commission.

§ 367.2820 Account 282, Accumulated deferred income taxes—Other property.

(a) This account must include the tax deferrals resulting from adoption of the principle of comprehensive inter-period income tax allocation described in the General Instructions in § 367.17 that are related to all property other than accelerated amortization property.