

Federal Energy Regulatory Commission

§ 367.2820

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.

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(b) This account must be credited and accounts 410.1, Provision for deferred income taxes, operating income (§367.4101), or 410.2, Provision for deferred income taxes, Other income and deductions (§367.4102), as appropriate, must be debited with tax effects related to property described in paragraph (a) of this section where taxable income is lower than pretax accounting income due to differences between the periods in which revenue and expense transactions affect taxable income and the periods in which they enter into the determination of pretax accounting income.

(c) This account must be debited, and accounts 411.1, Provision for deferred income taxes—Credit, operating income (§367.4111), or 411.2, Provision for deferred income taxes—Credit, other income and deductions (§367.4112), as appropriate, must be credited with tax effects related to property described in paragraph (a) of this section where taxable income is higher than pretax accounting income due to differences between the periods in which revenue and expense transactions affect taxable income and the periods in which they enter into the determination of pretax accounting income.

(d) The service company is restricted in its use of this account to the purposes described in paragraphs (a) through (c) of this section. It must not transfer the balance in this account or any related portion to retained earnings or make any other use of the balance except as provided in paragraph (a) through (c) of this section without prior approval of the Commission. Upon the disposition by sale, exchange, transfer, abandonment or premature retirement of property on which there is a related balance, this account must be charged with an amount equal to the related income tax expense, if any, arising from the disposition and accounts 411.1, Income taxes deferred in prior years—Credit, operating income (§367.4111), or 411.2, Income taxes deferred in prior years—Credit, other income and deductions (§367.4112), must be credited. When property is disposed of by transfer to a wholly-owned subsidiary, the related balance in this account also must be transferred. When the disposition relates to retirement of

an item or items under a group method of depreciation where there is no tax effect in the year of retirement, no entries are required in this account if it can be determined that the related balance must be retained to offset future group item tax deficiencies.

§ 367.2830 Account 283, Accumulated deferred income taxes—Other.

(a) This account must include all credit tax deferrals resulting from the adoption of the principles of comprehensive inter-period income tax allocation described in the General Instructions in §367.17 other than those deferrals that are includible in account 282, Accumulated deferred income taxes—Other property (§367.2820).

(b) This account must be credited, and accounts 410.1 Provision for deferred income taxes, operating income (§367.4101), or 410.2 Provision for deferred income taxes, other income and deductions (§367.4102), as appropriate, must be debited with tax effects related to items described in paragraph (a) of this section where taxable income is lower than pretax accounting income due to differences between the periods in which revenue and expense transactions affect taxable income and the periods in which they enter into the determination of pretax accounting income.

(c) This account must be debited, and accounts 411.1, Provision for deferred income taxes-Credit, operating income (§367.4111), or 411.2, Provision for deferred income taxes-Credit, other income and deductions (§367.4112), as appropriate, must be credited with tax effects related to items described in paragraph (a) of this account where taxable income is higher than pretax accounting income due to differences between the periods in which revenue and expense transactions affect taxable income and the periods in which they enter into the determination of pretax accounting income.

(d) Records with respect to entries to this account, as described in paragraphs (a) through (c) of this section, and the account balance, must be maintained so as to show the factors of calculation with respect to each annual amount of the item or class of items.