

Securities and Exchange Commission

§ 256.00-1

LIABILITIES AND OTHER CREDIT ACCOUNTS

5. PROPRIETARY CAPITAL

256.201 Common stock issued.
256.211 Miscellaneous paid-in capital.
256.215 Appropriated retained earnings.
256.216 Unappropriated retained earnings.

6. LONG-TERM DEBT

256.223 Advances from associate companies.
256.224 Other long-term debt.
256.225 Unamortized premium on long-term debt.
256.226 Unamortized discount on long-term debt-debit.

7. CURRENT AND ACCRUED LIABILITIES

256.231 Notes payable.
256.232 Accounts payable.
256.233 Notes payable to associate companies.
256.234 Accounts payable to associate companies.
256.236 Taxes accrued.
256.237 Interest accrued.
256.238 Dividends declared.
256.241 Tax collections payable.
256.242 Miscellaneous current and accrued liabilities.

8. DEFERRED CREDITS

256.253 Other deferred credits.
256.255 Accumulated deferred investment tax credits.

9. ACCUMULATED DEFERRED INCOME TAXES

256.282 Accumulated deferred income taxes.

SERVICE COMPANY PROPERTY ACCOUNTS

256.301 Organization.
256.303 Miscellaneous intangible plant.
256.304 Land and land rights.
256.305 Structures and improvements.
256.306 Leasehold improvements.
256.307 Equipment.
256.308 Office furniture and equipment.
256.309 Automobiles, other vehicles, and related garage equipment.
256.310 Aircraft and airport equipment.
256.311 Other service company property.

INCOME AND EXPENSE ACCOUNTS

1. INCOME

256.403 Depreciation and amortization expense.
256.408 Taxes other than income taxes.
256.409 Income taxes.
256.410 Provision for deferred income taxes.
256.411 Provision for deferred income taxes—credit.
256.411.5 Investment tax credit.
256.421 Miscellaneous income or loss.
256.426.1 Donations.
256.426.5 Other deductions.

256.427 Interest on long-term debt.
256.430 Interest on debt to associate companies.
256.431 Other interest expense.
256.457 Services rendered to associate companies.
256.457-1 Direct costs charged to associate companies.
256.457-2 Indirect costs charged to associate companies.
256.457-3 Compensation for use of capital—associate companies.
256.458 Services rendered to nonassociate companies.
256.458-1 Direct costs charged to nonassociate companies.
256.458-2 Indirect costs charged to nonassociate companies.
256.458-3 Compensation for use of capital—nonassociate companies.
256.458-4 Excess or deficiency on servicing nonassociate companies.

2. EXPENSE

256.920 Salaries and wages.
256.921 Office supplies and expenses.
256.922 Administrative expenses transferred—credit.
256.923 Outside services employed.
256.924 Property insurance.
256.925 Injuries and damages.
256.926 Employee pensions and benefits.
256.928 Regulatory commission expense.
256.930.1 General advertising expenses.
256.930.2 Miscellaneous general expenses.
256.931 Rents.
256.932 Maintenance of structures and equipment.

AUTHORITY: Secs. 13, 15, 20, 49 Stat. 825, 828, 833; 15 U.S.C. 79m, 79o, 79t.

SOURCE: 44 FR 8250, Feb. 9, 1979, unless otherwise noted.

GENERAL INSTRUCTIONS

CROSS REFERENCES: For general rules and regulations, Public Utility Holding Company Act of 1935, see Part 250 of this chapter. For rule adopting this Uniform System of Accounts, see §250.93. For regulations under section 13 of the Act, see §§250.80 to 250.95.

NOTE: Cross references to accounts are made by citing the account number, e.g., account 201 instead of the corresponding section number (§256.201).

§ 256.00-1 Preface.

(a) The accompanying Uniform System of Accounts for Mutual Service and Subsidiary Service Companies represents a modernization of the accounting system for such companies to provide a detailed system of accounts

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which is tailored to present and expanded services, including data processing, modeling, rate analysis, system analysis, budgeting and other support services such as fuel management and analysis, being rendered by such companies. This Uniform System of Accounts is not applicable to gas or electric utility companies, or companies primarily engaged (1) in production of goods, including exploration and development of fuel resources, (2) in the provision of water, telephone, or similar services, the sale of which is normally subject to public rate regulation, (3) in provision of transportation, whether or not so regulated, or (4) in the ownership of property, including leased property and fuel reserves, for the use of associate companies.

(b) It has been the Commission's task to provide a system comprehensive enough to cover the traditional services and the present services being performed by such companies, yet elastic enough to permit adaptation to varying requirements; a system which, faithfully applied, will provide information essential in the administration of section 13 of the Public Utility Holding Company Act of 1935, will be workable and reasonably simple from an operating viewpoint, and free from unnecessary complexities or burdensome requirements which might render it incompatible with the interests of investors or consumers.

(c) This Uniform System of Accounts requires the service company to (1) design subaccounts and keep memorandum and time records to facilitate the preparation of reports and statements required by regulatory commissions and the conduct of audit and account inspection programs, (2) establish a work order system to accumulate reimbursable costs and charges to customers, and (3) account for compensation for use of capital, if paid.

(d) Credits to the accounts or memorandum records may be made upon the basis of estimated costs to associate companies which shall conform as nearly as may be practicable to actual costs: *Provided*, That at stated intervals adjustments of the estimated costs to actual costs shall be made. Invoices to associate companies shall clearly indicate any adjustments to estimated

cost previously billed. Such adjustments may be made at intervals during the fiscal year, but final adjustments shall be made at the end of such year. Overbillings or underbillings arising from these adjustments shall be cleared through the appropriate account and offset by adjustments to other accounts involved.

(e) The "expense" accounts provided have been designed to show the cost of each general class of service furnished by the service company and with a view toward securing an equitable allocation thereof to the associate companies served.

(f) Consideration was given in the preparation of this system to the necessity of providing for a more detailed classification of service costs in order to permit these costs to be identified with the functional processes of the associate companies served. In this connection, each service company shall maintain a work order system for accumulating reimbursable costs and charges to customers and maintain time records for all service company employees in order to support the accounting allocation of all expenses assignable to the types of services performed and chargeable to the companies served.

(g) It is believed that the results to be obtained from the system now prescribed, together with the more detailed information to be called for in the annual reports, will provide a better basis for identifying cost than is presently available.

§256.01-1 Companies for which this system of accounts is prescribed.

(a) This Uniform System of Accounts is designed for use by: (1) Any company operating, or organized to operate, as a mutual service company under the provisions of section 13 of the Public Utility Holding Company Act of 1935, and (2) any subsidiary company whose organization and conduct of business the Commission has found to meet the requirements of section 13(b) of the Public Utility Holding Company Act of 1935, with respect to the performance of services or construction work for, or the sale of goods to, associate companies.