

**§ 367.2260**

**18 CFR Ch. I (4–1–13 Edition)**

respective issue under a plan that will distribute the amount equitably over the life of the security. The amortization must be on a monthly basis, with the related amounts credited to account 429, Amortization of premium on debt—Credit (§367.4290) (*see* General Instructions in §367.16).

**§ 367.2260 Account 226, Unamortized discount on long-term debt—Debit.**

(a) This account must include the excess of the face value of long-term debt securities over the related cash value of consideration received, related to the issue or assumption of all types and classes of debt.

(b) Amounts recorded in this account must be amortized over the life of the respective issues under a plan that will distribute the amount equitably over the life of the securities. The amortization must be on a monthly basis, with the related amounts charged to account 428, Amortization of debt discount and expense (§367.4280). (*see* General Instructions in §367.16.)

**OTHER NONCURRENT LIABILITIES**

**§ 367.2270 Account 227, Obligations under capital lease—Non-current.**

This account must include the portion not 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).

**§ 367.2282 Account 228.2, Accumulated provision for injuries and damages.**

(a) This account must be credited with amounts charged to account 925, Injuries and damages (§367.9250), or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others and for damages to property neither owned nor held under lease by the service company.

(b) When liability for any injury or damage is admitted by the service company, either voluntarily or because of the decision of a court or other lawful authority, such as workmen's compensation board, the admitted liability must be charged to this account and credited to the appropriate current liability account. Details of these

charges must be maintained according to the year the casualty occurred which gave rise to the loss.

(c) Recoveries or reimbursements for losses charged to this account must be credited to this account; the cost of repairs to property of others if provided for in this account must be charged to this account.

**§ 367.2283 Account 228.3, Accumulated provision for pensions and benefits.**

(a) This account must include provisions made by the service company and amounts contributed by employees for pensions, accident and death benefits, savings, relief, hospital and other provident purposes, where the funds are included in the assets of the service company either in general or in segregated fund accounts.

(b) Amounts paid by the service company for the purposes for which this liability is established must be charged to this account.

(c) A separate account must be kept for each kind of provision included in this account.

(d) If employee pension or benefit plan funds are not included among the assets of the service company but are held by outside trustees, payments into such funds, or accruals therefore, must be included in this account.

**§ 367.2300 Account 230, Asset retirement obligations.**

(a) This account must include the amount of liabilities for the recognition of asset retirement obligations related to service company property. This account must be credited for the amount of the liabilities for asset retirement obligations with amounts charged to the appropriate property account to record the related asset retirement costs.

(b) The service company must charge the accretion expense to account 411.10, Accretion expense (§367.4118), and credit account 230, Asset retirement obligations (§367.2300).

(c) This account must be debited with amounts paid to settle the asset retirement obligations recorded in this account.

(d) The service company must clear from this account any gains or losses resulting from the settlement of asset

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retirement obligations in accordance with the instructions prescribed in the General Instructions in § 367.22.

### CURRENT AND ACCRUED LIABILITIES

#### § 367.2310 Account 231, Notes payable.

This account must include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than associate companies.

#### § 367.2320 Account 232, Accounts payable.

This account must include all amounts payable by the service company within one year that are not provided for in other accounts.

#### § 367.2330 Account 233, Notes payable to associate companies.

(a) This account must include amounts owing to associate companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open accounts payable on demand or not more than one year from date of issue or creation.

(b) Exclude from this account notes and accounts that are includible in account 223, Advances from associate companies (§ 367.2230).

#### § 367.2340 Account 234, Accounts payable to associate companies.

This account must include all amounts payable to associate companies by the service company within one year, which are not provided for in other accounts.

#### § 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 subse-

quent 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.