

Federal Energy Regulatory Commission

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must be credited to a separate sub-account of this account and appropriate disclosure must be made in financial statements of any contingent liability arising from such transactions.

§ 367.1460 Account 146, Accounts receivable from associate companies.

(a) This account must include notes and drafts upon which associate companies are liable, and that mature and are expected to be paid in full not later than one year from the date of issue, together with any related interest thereon, and debit balances subject to current settlement in open accounts with associate companies. Items that do not bear a specified due date but that have been carried for more than twelve months and items that are not paid within twelve months from due date must be transferred to account 123, Investment in associate companies (§ 367.1230).

(b) On the balance sheet, accounts receivable from an associate company may be set off against accounts payable to the same company.

(c) The face amount of notes receivable discounted, sold or transferred without releasing the service company from liability as the related endorser, must be credited to a separate sub-account of this account and appropriate disclosure must be made in financial statements of any contingent liability arising from the transactions.

§ 367.1520 Account 152, Fuel stock expenses undistributed.

The service company must utilize this account, where appropriate, to include the cost of service company labor and of office supplies used and operating expenses incurred with respect to the review, analysis and management of fuel supply contracts or agreements, the accumulation of fuel information and its interpretation, the logistics and handling of fuel, and other related support functions, as a service to the company engaged in the procurement and transportation of fuel. This account must be maintained to show the expenses attributable to each company through its cost allocation system. All expenses of a service company's fuel

department or functions must be cleared through this account.

§ 367.1540 Account 154, Materials and operating supplies.

(a) This account must include the cost of materials purchased primarily for use in the service company business for construction, operation and maintenance purposes. It must include the book cost of materials recovered in connection with construction, maintenance or the retirement of service company property, the materials being credited to construction, maintenance or accumulated depreciation provision, respectively. This account must include the following items:

(1) Reusable materials consisting of large individual items must be included in this account at original cost, estimated if not known. The cost of repairing the items must be charged to the maintenance account appropriate for the previous use.

(2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the related final abandonment or sale) cannot be ascertained without undue refinement in accounting, must be included in this account at current prices new for the items. The cost of repairing the items must be charged to the appropriate expense account as indicated by previous use.

(3) Scrap and non-usable materials included in this account must be carried at the estimated net amount realizable. The difference between the amounts realized for scrap and non-usable materials sold and the net amount at which the materials were carried in this account, as far as practicable, must be adjusted to the accounts credited when the materials were charged to this account.

(b) Materials and supplies issued must be credited in this account and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative average, first-in-first-out, or any other method of inventory accounting that conforms with accepted accounting standards consistently applied.

(c) This account must include the following items:

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(1) Invoice price of materials less cash or other discounts.

(2) Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.

(3) Customs duties and excise taxes.

(4) Costs of inspection and special tests prior to acceptance.

(5) Insurance and other directly assignable charges.

(d) Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account (account 163, Stores expense undistributed (§367.1630)), and distributed from there to the appropriate account.

(e) When materials and supplies are purchased for immediate use, they need not be carried through this account, but may be charged directly to the appropriate service company property or expense account.

§ 367.1630 Account 163, Stores expense undistributed.

(a) This account must include the cost of supervision, labor and expenses incurred in the operation of general storerooms, including purchasing, storage, handling and distribution of materials and supplies.

(b) This account must be cleared by adding to the cost of materials and supplies issued a suitable loading charge that will distribute the expense equitably over stores issues. The balance in the account at the close of the calendar year must not exceed the amount of stores expenses reasonably attributable to the inventory of materials and supplies exclusive of fuel, as any amount applicable to fuel costs should be included in account 152, Fuel stock expenses undistributed (§367.1520).

(c) This account must include the following labor items:

(1) Inspecting and testing materials and supplies when not assignable to specific items.

(2) Unloading from shipping facility and putting in storage.

(3) Supervision of purchasing and stores department to extent assignable to materials handled through stores.

(4) Getting materials from stock and in readiness to go out.

(5) Inventorying stock received or stock on hand by stores employees but not including inventories by general department employees as part of internal or general audits.

(6) Purchasing department activities in checking material needs, investigating sources of supply, analyzing prices, preparing and placing orders, and related activities to extent applicable to materials handled through stores. (Optional. Purchasing department expenses may be included in administrative and general expenses.)

(7) Maintaining stores equipment.

(8) Cleaning and tidying storerooms and stores offices.

(9) Keeping stock records, including recording and posting of material receipts and issues and maintaining inventory record of stock.

(10) Collecting and handling scrap materials in stores.

(d) This account must include the following supplies and expenses items:

(1) Adjustments of inventories of materials and supplies, but not including large differences that can readily be assigned to important classes of materials and equitably distributed among the accounts to which the classes of materials have been charged since the previous inventory.

(2) Cash and other discounts not practically assignable to specific materials.

(3) Freight, express, and similar items, when not assignable to specific items.

(4) Heat, light and power for storerooms and store offices.

(5) Brooms, brushes, sweeping compounds and other supplies used in cleaning and tidying storerooms and stores offices.

(6) Injuries and damages.

(7) Insurance on materials and supplies and on stores equipment.

(8) Losses due to breakage, leakage, evaporation, fire or other causes, less credits for amounts received from insurance, transportation companies or others in compensation of the losses.

(9) Postage, printing, stationery and office supplies.

(10) Rent of storage space and facilities.