

CHAPTER VI: Telephone and Telegraph Corporations
Subchapter E: Uniform Systems of Accounts

Part 663 - Instructions - Telecommunications Plant Accounts

§ 663.6 Continuing property records required

(a) The continuing property records are that portion of the total property accounting system which preserves the following detailed information:

(1) the identity, vintage, location and original cost of units of property; and

(2) original and ongoing transactional data (plant account activity) in terms of such units.

(b) The continuing property records must be

(1) subject to internal accounting controls,

(2) auditable,

(3) equal in the aggregate to the total investment reflected in the financial property control accounts as well as the total of the cost allocations supporting the determination of cost-of-service at any particular point in time, and

(4) maintained throughout the life of the property.

(c) Companies shall establish and maintain continuing property records for each class of property recorded in the several plant accounts which comprise the balance sheet account 2001, Telecommunications Plant In Service, account 2002, Property Held for Future Telecommunications Use, and account 2006, Nonoperating Plant.

(d) The company shall prepare and maintain the continuing property record as follows:

(1) Not later than December 31st of the year following that in which the company becomes subject to this system of accounts, begin the preparation of a continuing property record.

(2) Complete within two years of the prescribed beginning date, continuing property records for all property as of the end of the preceding calendar year.

(3) Promptly process in the continuing property records all property changes affecting periods subsequent to initial establishment of the continuing property record.

(e) The continuing property record components (see subdivision (a), (b) and (c) of this section) shall be arranged in conformity with the regulated plant accounts prescribed in this system of accounts as follows:

(1) The continuing property records shall be compiled on the basis of original cost (or other book cost consistent with this system of accounts). The continuing property records shall be maintained as prescribed in [section] § 663.7(b) (3) of this Part in such manner as will meet the following basic objectives:

(i) provide for the verification of property record units by physical examination;

(ii) provide for accurate accounting for retirements; and

(iii) provide data for use in connection with depreciation studies.

(f) The following additional continuing property records requirements shall be complied with by Class A companies only:

(1) The Class A continuing property records shall consist of

(i) continuing property records and

(ii) records supplemental thereto which together reveal clearly, by accounting area, the detailed and systematically summarized information necessary to meet fully the requirements of subdivisions (a) and (b) of this section, and paragraph (3) of this subdivision.

(2) The records supplemental to the continuing property records shall disclose such service designations, usage measurement criteria, apportionment factors, or other data as may be prescribed by the [c]Commission in this uniform system of

accounts or other [Parts of its rules and regulations] provisions of this Title. Such data are subject to the same general controls and standards for auditability and support as are all other elements of the continuing property records.

(3) The continuing property records also shall preserve any other specific financial and cost accounting information not properly warranting separate disclosure as an account or subaccount but which is needed to support regulatory, cost, tax, management and other specific accounting information needs and requirements.

(g) Each Class A company shall notify the [c]Commission of a plan for the continuing property record as follows:

(1) Not later than December 31st of the year following that in which it becomes subject to this system of accounts, the company shall file, [with the commission two copies of] in accordance with the requirements of § 3.5 of this Title, with the Commission a complete plan of the method to be used in the compilation of a continuing property record with respect to each class of property. The plan shall include a list of proposed accounting areas accompanied by description of the boundaries of each area as defined in accordance with the requirements of [section] § 663.7(a) (1) and (2) of this Part. The plan shall also include a list of property record units proposed for use under each regulated plant account. These property record units shall be selected such that the requirements of [section] § 663.7(b) (1), (2) and (3) can be satisfied.

(2) The company shall submit to the [c]Commission [one copy of] major proposed changes in its continuing property record plan at least 30 days before the effective date of the proposed changes.