

7810.8200 DEFINITIONS.

Subpart 1. **Scope.** The terms used in parts 7810.8100 to 7810.8815 have the meanings given them in this part.

Subp. 2. **Attorney general's office.** "Attorney general's office" means the Residential and Small Business Utilities Division of the Office of the Attorney General.

Subp. 3. **Average.** "Average," when used in conjunction with rate base, means a 13-month average or an average of 12 monthly averages or a simple average of the beginning and ending data for a 12-month period when monthly data are not available.

Subp. 4. **Capital structure.** "Capital structure" means the total capitalization of the telephone company, such as outstanding common stock, paid-in surplus in excess of par value, retained earnings, preferred stock, long-term debt, and short-term debt.

Subp. 5. **Competitive service.** "Competitive service" means a service classified by Minnesota Statutes, section 237.59, subdivision 1, as subject to emerging competition or classified by commission order as subject to effective or emerging competition.

Subp. 6. **Cost increase rate change.** "Cost increase rate change" means a miscellaneous tariff change under Minnesota Statutes, section 237.63, subdivision 3, to increase the rate for a particular noncompetitive service on grounds that the actual costs of providing that particular service have increased. A cost increase rate change must be a cost change related to a particular service rather than a general overall increase applicable to most of the company's services, and an actual change in costs must have occurred rather than the discovery of a change in costs as a result of conducting a new cost study.

Subp. 7. **Department.** "Department" means the Minnesota Department of Commerce.

Subp. 8. **Effective competition.** "Effective competition" exists when the commission determines that the criteria of Minnesota Statutes, section 237.59, subdivision 5, paragraphs (a) and (b), have been satisfied for a service.

Subp. 9. **Embedded cost of capital.** "Embedded cost of capital" means the weighted average cost of outstanding issues of long-term debt, short-term debt, and preferred stock in the capital structure, expressed as a sum of percentages. The sum of percentages is determined by multiplying the cost of each issue of long-term debt, short-term debt, or preferred stock by the ratio of the amount of that issue to the total amount of long-term debt, short-term debt, or preferred stock, respectively.

Subp. 10. **Emerging competition.** "Emerging competition" exists for services listed in Minnesota Statutes, section 237.59, subdivision 1. Emerging competition also exists when the commission determines that it exists under Minnesota Statutes, sections 237.57, subdivision 4, and 237.59, subdivisions 2 to 6.

Subp. 11. **Final rates.** "Final rates" means permanent rates ordered into effect by the commission under Minnesota Statutes, sections 237.075 and 237.081.

Subp. 12. **Fiscal year.** "Fiscal year" means the telephone company's accounting period of 12 successive calendar months. Fiscal year may be a calendar year beginning January 1 and ending December 31.

Subp. 13. **General rate change.** "General rate change" means a change in rates for which the telephone company's gross revenue requirement must be determined to evaluate the reasonableness of the change in rates under Minnesota Statutes, sections 237.075 and 237.081, subdivision 2, paragraph (b).

Subp. 14. **Individually priced service.** "Individually priced service" means a telephone service or service element priced on a unique or individual basis under Minnesota Statutes, sections 237.07 and 237.071.

Subp. 15. **Interim rates.** "Interim rates" means temporary rates ordered into effect by the commission under Minnesota Statutes, section 237.075, subdivision 3.

Subp. 16. **Jurisdictional.** "Jurisdictional" refers to those Minnesota operations of a telephone company that are subject to regulation by the commission under Minnesota Statutes, chapters 216, 216A, and 237.

Subp. 17. **Language change.** "Language change" means a miscellaneous tariff change under Minnesota Statutes, section 237.63, subdivision 2, that changes the language describing the rate, price, term, or condition of a service that does not substantially alter the application of the tariff or price list.

Subp. 18. **Minnesota company.** "Minnesota company" refers to the Minnesota combined interstate and intrastate operations of a telephone company.

Subp. 19. **Miscellaneous tariff change.** "Miscellaneous tariff change" means a tariff change under Minnesota Statutes, section 237.63, which does not require a determination of the company's gross revenue requirement to evaluate the reasonableness of the proposed tariff change.

Subp. 20. **Noncompetitive service.** "Noncompetitive service" means a service not classified by Minnesota Statutes, section 237.59, subdivision 1, as subject to emerging competition or classified by commission order as subject to effective or emerging competition.

Subp. 21. **Present rates.** "Present rates" means the current commission-approved rates.

Subp. 22. **Previous fiscal year.** "Previous fiscal year" means the company's most recently completed fiscal year as of the filing date that has an ending date before the end of the proposed test year.

Subp. 23. **Price list.** "Price list" means a schedule filed with the commission and the department under Minnesota Statutes, section 237.07, and part 7810.8400, showing the company's rates, regulations, classifications of services, and practices observed for services subject to emerging competition.

Subp. 24. **Rate.** "Rate" means the amount of compensation, price, charge, toll, rental, or classification observed, charged, or collected for a service or element of service; and the rules, regulations, and practices that are subject to regulation by the commission under Minnesota Statutes, chapters 216, 216A, and 237.

Subp. 25. **Rate change or change in rates.** "Rate change" or "change in rates" means a change in the amount or the elimination of compensation, price, charge, toll, rental, or classification observed, charged, or collected for a service or element of service; a change in the rules, regulations, or practices; or the withdrawal of schedules incorporating those rates that are subject to regulation by the commission under Minnesota Statutes, chapters 216, 216A, and 237.

Subp. 26. **Rate element.** "Rate element" means a telephone service or component of telephone service for which there is a separate rate.

Subp. 27. **Tariff.** "Tariff" means a schedule filed with the department under Minnesota Statutes, section 237.07, and part 7810.8400, showing the company's rates, regulations, classifications of services, and practices observed for noncompetitive services.

Subp. 28. **Telephone company or company.** "Telephone company" or "company" means a telephone company as defined in Minnesota Statutes, section 237.01, subdivision 7.

Subp. 29. **Test year.** "Test year" means the period of 12 successive months used for evaluating a need for a change in rates.

Subp. 30. **Total company.** "Total company" means the interstate and intrastate telephone operations of a company in the states in which the company as a legal entity is entitled to operate.

Subp. 31. **Weighted cost of capital.** "Weighted cost of capital" means the total cost of capital, expressed as a sum of percentages, each of which is determined by multiplying each component's cost in the capital structure by the ratio of the amount of that component to the total capitalization of the telephone company.

Statutory Authority: *MS s 216A.05; 237.10; 237.16; 237.74*

History: *16 SR 2163; L 2001 1Sp4 art 6 s 1; 26 SR 1438*

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