

**7810.8630 OPERATING INCOME SCHEDULES.**

Subpart 1. **Categories; other filing requirements.** Operating income schedules must be included in each general rate change notice and must specify revenues, expenses, and taxes according to the categories shown in items A to D.

A. The schedules must show operating revenues in categories such as local network services, network access services, long-distance network services, and miscellaneous. Similar revenue categories are found in the Uniform System of Accounts Revised, Code of Federal Regulations, title 47, part 32, as amended through June 1, 1990.

B. The schedules must show operating expenses in categories such as network support, general support, central office switching, central office transmission, information origination or termination, cable and wire facilities, network operations, customer services, executive and planning, and general and administrative. Similar expense categories are found in the Uniform System of Accounts Revised, Code of Federal Regulations, title 47, part 32, as amended through June 1, 1990. Operating expenses for the categories of depreciation, amortization, pension, and employee benefits must be shown in a separate supporting schedule.

C. The schedules must show operating taxes specifying current and deferred federal and state income taxes, net investment tax credits, property taxes, gross receipt taxes, and other operating taxes as applicable.

D. The schedules must show nonoperating expenses that show the related taxes for which the company seeks reimbursement.

Subp. 2. **Summary schedules.** A general rate change notice must include operating income summary schedules showing the proposed jurisdictional operating income statement for the test year under present rates and the unadjusted jurisdictional operating income statement for the previous fiscal year.

Subp. 3. **Comparing operating income amounts.** A general rate change notice must include the following comparison schedules by detailed operating income statement component:

A. a schedule showing unadjusted total company, unadjusted Minnesota company, and unadjusted jurisdictional operating income statement amounts for the test year;

B. a schedule showing unadjusted jurisdictional amounts; Minnesota state borderline adjustments, if any; company proposed jurisdictional adjustments; and proposed jurisdictional operating income statement amounts for the test year under present rates; and

C. a schedule showing unadjusted total company, unadjusted Minnesota company, and unadjusted jurisdictional operating income statement amounts for the previous fiscal year.

Subp. 4. **Adjustments.** A general rate change notice must include operating income schedules listing the proposed adjustments included in subpart 3. The schedules must reflect the title and amount of each proposed adjustment and show the operating income statement components affected by the adjustment.

Subp. 5. **Interstate and jurisdictional separation factors.** A general rate change notice must include a schedule by operating income statement element, showing the separation factors used in separating the jurisdictional amounts for the test year and previous fiscal year from the unadjusted Minnesota company operating income amounts.

Subp. 6. [Repealed, 26 SR 1438]

Subp. 7. **Gross receipts tax expense.** A general rate change notice must include an operating income schedule showing the computation of Minnesota company and jurisdictional gross receipts tax expense for the test year and the previous fiscal year.

Subp. 8. **Computation of taxes.** Unless a telephone company is tax exempt, a general rate change notice must include an operating income schedule for the test year and previous fiscal year showing the computation of unadjusted total company, unadjusted Minnesota company, and unadjusted jurisdictional current and deferred federal and state income taxes and net investment tax credits.

Subp. 9. **Tax rates detailed.** Unless a telephone company is tax exempt, a general rate change notice must include a detailed schedule showing the development of the combined federal and state tax rates used for the tax computation under subpart 8.

Subp. 10. **Assumptions and approaches.** If a projected test year is proposed, a general rate change notice must include a schedule summarizing the assumptions made and the approaches used in projecting each major element of the Minnesota company and jurisdictional operating income statement for the test year.

**Statutory Authority:** *MS s 216A.05; 237.06; 237.07; 237.075; 237.10; 237.16; 237.57 to 237.64; 237.74*

**History:** *16 SR 2163; 26 SR 1438*

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