

7810.8635 SUPPLEMENTAL FINANCIAL INFORMATION.

Subpart 1. **General requirement.** A general rate change notice must include the supplemental financial information described in subparts 2 to 8.

Subp. 2. **Workpapers.** The company shall file workpapers that show how the test year rate base and income statement components and adjustments have been determined. The workpapers must include:

A. supporting data and calculations showing the development of the unadjusted jurisdictional test year amounts for the rate base and operating income statement; and

B. supporting data and calculations showing the development of each test year adjustment and the proposed jurisdictional test year amounts for the rate base and operating income statement.

The workpapers described in items A and B must be filed with the commission, the department, and the attorney general's office, in quantities established by the agencies, and supplied to other parties on request.

Subp. 3. **Advertising.** The company shall file a schedule describing advertising categories and showing the Minnesota company and jurisdictional dollar amounts of advertising expense during the test year for each category in which the telephone company seeks reimbursement. For each category, the telephone company shall also provide sample ads. The company shall not seek reimbursement for institutional advertising under Minnesota Statutes, section 237.075, subdivision 7. Institutional advertising expenses are costs incurred by a telephone company to promote good will for the telephone company or improve the company's public image.

Subp. 4. **Dues.** The company shall file a schedule listing dues by organization that the telephone company seeks to recover showing the Minnesota company and the corresponding jurisdictional dollar amount of dues for the test year.

Subp. 5. **Charitable contributions.** The company shall file a schedule of charitable contributions made or to be made by the telephone company during the test year for which the company seeks reimbursement. The schedule must show the recipient, the Minnesota company amount, the jurisdictional amount, and the amount for which the telephone company seeks reimbursement. The company shall also provide testimony and evidence that the contribution is prudent and complies with Minnesota Statutes, section 290.21, subdivision 3, clause (b) or (e). Charitable contributions include in-kind contributions such as donated employee time and other noncash contributions.

Subp. 6. **Schedules.** A telephone company shall file:

A. a schedule showing the development of the gross revenue conversion factor;
and

B. its annual report to stockholders and the consolidated parent corporation's annual report to stockholders for the latest available fiscal year.

For purposes of this subpart, "gross revenue conversion factor" means the multiplier used to calculate gross revenue required to generate an additional dollar of net operating income before interest and after taxes.

Subp. 7. **Jurisdictional information.** If the telephone company has services or activities that are regulated by the commission, but have been deregulated by the Federal Communications Commission, the company shall identify and explain the impact of those revenues, expenses, and investments for those services and activities on the jurisdictional rate base and operating income statement for the proposed test year.

Subp. 8. **Affiliated interest transactions.** The telephone company shall file a schedule showing amounts of affiliated interest transactions for the previous fiscal year and the test year. The schedule must show:

A. the total amount of affiliated interest transactions for each affiliate for total company and Minnesota jurisdiction;

B. the total jurisdictional amount of recurring transactions for each affiliate along with a description of the recurring transactions and the method used to value the transactions; and

C. a list and description of nonrecurring transactions greater than one-half percent of gross jurisdictional revenue totaled by affiliate.

Affiliated transactions must be recorded and valued according to the Uniform System of Accounts Revised, Code of Federal Regulations, title 47, part 32, as amended through June 1, 1990, which is adopted by reference.

For purposes of this subpart, "affiliated interest transaction" means a contract or arrangement providing for managerial, supervisory, construction, engineering, accounting, legal, or financial services; buying, selling, leasing, or exchanging property or a right or thing; or providing a service, property, right, or thing to an affiliated interest as defined in Minnesota Statutes, section 216B.48, subdivision 1.

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

History: *16 SR 2163; 26 SR 1438*

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