

**7810.8645 RATE STRUCTURE AND RATE DESIGN INFORMATION.**

Subpart 1. **General requirement.** The information about rate structure and design in subparts 2 and 3 must be filed with each general rate change notice.

Subp. 2. **Rate design, allocation schedules, and test year data.** A general rate change notice must include a schedule showing the test year revenue-producing units, present rates, proposed rates, present revenue, and proposed revenue for each existing and proposed rate element of all services. The schedule must include subtotals for each major category of revenue, such as local network service, network access, long-distance network service, and extended area service.

Subp. 3. **Supporting workpapers.** A general rate change notice must include an embedded direct cost study and an incremental cost study for each proposed rate change for those services that generate revenues in excess of the greater of either \$100,000 or one-tenth of one percent of the company's annual gross revenue for the test year period. The embedded direct cost study and incremental cost study must identify the procedures and underlying reasons for cost and revenue allocations. The company shall explain why the proposed method is appropriate for ratemaking purposes. The form, content, and level of detail of any cost study required by this subpart must reflect the relative size of the company's intrastate operations in Minnesota and the amount of revenues it receives from the services for which cost studies are required.

The workpapers 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.

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

**History:** *16 SR 2163*

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