

7810.8680 CAPITAL STRUCTURE AND RATE OF RETURN.

The interim rate exhibits must include a schedule showing the capital structure and rate of return calculation approved by the commission in the telephone company's most recent general rate change proceeding. The interim rate of return calculation must be based on the proposed test year capital structure and test year capital costs, except that the company must use the cost of equity that was allowed by the commission in the company's most recent general rate change proceeding or the company's proposed return on equity, whichever is lower. The schedule must include an explanation of the changes in dollar amounts of the telephone company's most recent general rate change proceeding capital structure and the proposed test year capital structure. In the case of a company that has not been subject to a commission determination or has not had a general rate adjustment in the preceding three years, the company must use the cost of equity that was allowed by the commission in its most recent determination concerning a similar company.

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

History: *16 SR 2163*

Published Electronically: *August 29, 2008*