

#### § 43.41

local exchange carrier that elects to be covered by the price cap rules shall file, by April 1 of each year, a report designed to capture trends in service quality under price cap regulation. The report shall contain data relative to network measures of service quality, as defined by the Wireline Competition Bureau, from the previous calendar year on a study area basis.

(h) Each incumbent local exchange carrier for whom price cap regulation is mandatory shall file, by April 1 of each year, a report designed to capture trends in service quality under price cap regulation. The report shall contain data relative to customer measures of service quality, as defined by the Wireline Competition Bureau, from the previous calendar year a study area basis.

(i) Each incumbent local exchange carrier for whom price regulation is mandatory shall file, by April 1 of each year, a report containing data from the previous calendar year on a study area basis that are designed to capture trends in telephone industry infrastructure development under price cap regulation.

(j) Each incumbent local exchange carrier with annual operating revenues that equal or exceed the indexed revenue threshold shall file, no later than April 1 of each year, a report containing data from the previous calendar year on an operating company basis. Such report shall combine statistical data designed to monitor network growth, usage, and reliability.

(k) Each designated interstate carrier with operating revenues for the preceding year that equal or exceed the indexed revenue threshold shall file, no later than April 1 of each year, a report showing for the previous calendar year its revenues, expenses, taxes, plant in service, other investments and depreciation reserves, and such other data as are required by the Commission, on computer media prescribed by the Commission. The total operating results shall be allocated between regulated and nonregulated operations, and the regulated data shall be further divided into the following categories: State and interstate, and the interstate will be further divided into com-

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mon line, traffic sensitive access, special access, and nonaccess.

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#### § 43.41 [Reserved]

#### § 43.43 Reports of proposed changes in depreciation rates.

(a) Each communication common carrier with annual operating expenses that equal or exceed the indexed revenue threshold, as defined in § 32.9000, and that has been found by this Commission to be a dominant carrier with respect to any communications service shall, before making any changes in the depreciation rates applicable to its operated plant, file with the Commission a report furnishing the data described in the subsequent paragraphs of this section, and also comply with the other requirements thereof.

(b) Each such report shall contain the following:

(1) A schedule showing for each class and subclass of plant (whether or not the depreciation rate is proposed to be changed) an appropriate designation therefor, the depreciation rate currently in effect, the proposed rate, and the service-life and net-salvage estimates underlying both the current and proposed depreciation rates;

(2) An additional schedule showing for each class and subclass, as well as the totals for all depreciable plant, (i) the book cost of plant at the most recent date available, (ii) the estimated amount of depreciation accruals determined by applying the currently effective rate to the amount of such book cost, (iii) the estimated amount of depreciation accruals determined by applying the rate proposed to be used to the amount of such book cost, and (iv) the difference between the amounts determined in paragraphs (b)(2) (ii) and (iii) of this section;

(3) A statement giving the reasons for the proposed change in each rate;

(4) A statement describing the method or methods employed in the development of the service-life and salvage

estimates underlying each proposed change in a depreciation rate; and

(5) The date as of which the revised rates are proposed to be made effective in the accounts.

(c) Except as specified in paragraphs (c)(1) and (c)(3) of this section, when the change in the depreciation rate proposed for any class or subclass of plant (other than one occasioned solely by a shift in the relative investment in the several subclasses of the class of plant) amounts to twenty percent (20%) or more of the rate currently applied thereto, or when the proposed change will produce an increase or decrease of one percent (1%) or more of the aggregate depreciation charges for all depreciable plant (based on the amounts determined in compliance with paragraph (b)(2) of this section) the carrier shall supplement the data required by paragraph (b) of this section with copies of the underlying studies, including calculations and charts, developed by the carrier to support service-life and net-salvage estimates. If a carrier must submit data of a repetitive nature to comply with this requirement, the carrier need only submit a fully illustrative portion thereof.

(1) A Local Exchange Carrier regulated under price caps, pursuant to §§ 61.41 through 61.49 of this chapter, is not required to submit the supplemental information described in paragraph (c) introductory text of this section for a specific account if: The carrier's currently prescribed depreciation rate for the specific accounts derived from basic factors that fall within the basic factor ranges established for that same account; and the carrier's proposed depreciation rate for the specific account would also be derived from basic factors that fall within the basic factor ranges for the same account.

(2) Local Exchange Carriers that are regulated under price caps, pursuant to §§ 61.41 through 61.49 of this chapter, and have selected basic factors that fall within the basic factor ranges for all accounts are exempt from paragraphs (b)(3), (b)(4), and (c) introductory text of this section. They shall instead comply with paragraphs (b)(1), (b)(2) and (b)(5) of this section and provide a book and theoretical reserve summary and a summary of basic fac-

tors underlying proposed rates by account.

(3) Interexchange carriers regulated under price caps, pursuant to §§ 61.41 through 61.49 of this chapter, are exempted from submitting the supplemental information as described in paragraph (c) introductory text of this section. They shall instead submit: Generation data, a summary of basic factors underlying proposed depreciation rates by account and a short narrative supporting those basic factors, including company plans of forecasted retirements and additions, recent annual retirements, salvage and cost of removal.

(d) Each report shall be filed in duplicate and the original shall be signed by the responsible official to whom correspondence related thereto should be addressed.

(e) Unless otherwise directed or approved by the Commission, the following shall be observed: Proposed changes in depreciation rates shall be filed at least ninety (90) days prior to the last day of the month with respect to which the revised rates are first to be applied in the accounts (e.g., if the new rates are to be first applied in the depreciation accounts for September, they must be filed on or before July 1). Such rates may be made retroactive to a date not prior to the beginning of the year in which the filing is made: *Provided however*, that in no event shall a carrier for which the Commission has prescribed depreciation rates make any changes in such rates unless the changes are prescribed by the Commission. Carriers who select basic factors that fall within the basic factor ranges for all accounts are exempt from depreciation rate prescription by the Commission.

(f) Any changes in depreciation rates that are made under the provisions of paragraph (e) of this section shall not be construed as having been approved by the Commission unless the carrier has been specifically so informed.

[28 FR 13214, Dec. 5, 1963, as amended at 30 FR 3223, Mar. 9, 1965; 53 FR 49987, Dec. 13, 1988; 58 FR 58790, Nov. 4, 1993; 61 FR 50246, Sept. 25, 1996; 62 FR 39779, July 24, 1997; 65 FR 18931, Apr. 10, 2000]