

§ 61.46

by base period Switched Access End User Common Line Charge lines.

[65 FR 38696, June 21, 2000; 65 FR 57741, Sept. 26, 2000; 76 FR 43214, July 20, 2011; 82 FR 25711, June 2, 2017]

§ 61.46 Adjustments to the API.

(a) Except as provided in paragraphs (d) and (e) of this section, in connection with any price cap tariff filing proposing rate changes, the price cap local exchange carrier must calculate an API for each affected basket pursuant to the following methodology:

$$API_t = API_{t-1} [\sum_i v_i (P_i/P_{t-1})^i]$$

Where:

- API_t = the proposed API value,
- API_{t-1} = the existing API value,
- P_i = the proposed price for rate element “i,”
- P_{t-1} = the existing price for rate element “i,” and
- v_i = the current estimated revenue weight for rate element “i,” calculated as the ratio of the base period demand for the rate element “i” priced at the existing rate, to the base period demand for the entire basket of services priced at existing rates.

(b) New services subject to price cap regulation must be included in the appropriate API calculations under paragraph (a) of this section beginning at the first annual price cap tariff filing following completion of the base period in which they are introduced. This index adjustment requires that the demand for the new service during the base period must be included in determining the weights used in calculating the API.

(c) Any price cap tariff filing proposing rate restructuring shall require an adjustment to the API pursuant to the general methodology described in paragraph (a) of this section. This adjustment requires the conversion of existing rates into rates of equivalent value under the proposed structure, and then the comparison of the existing rates that have been converted to reflect restructuring to the proposed restructured rates. This calculation may require use of carrier data and estimation techniques to assign customers of the preexisting service to those services (including the new restructured service) that will remain or become available after restructuring.

(d) The maximum allowable carrier common line (CCL) revenue shall be computed pursuant to the following methodology:

$$CCL = CMT - EUCL - \text{Interstate Access Universal Service Support Mechanism Per Line} - PICC$$

Where:

- CMT = Price Cap CMT Revenue as defined in § 61.3(cc).
- EUCL = Maximum allowable EUCL rates established pursuant to § 69.152 of this chapter multiplied by base period lines.
- Interstate Access Universal Service Support Per Line = the amount as determined by the Administrator pursuant to § 54.807 of this chapter times the number of base period lines for each customer class and zone receiving Interstate Access Universal Service support pursuant to part 54, subpart J.
- PICC = Maximum allowable PICC rates established pursuant to § 69.153 of this chapter multiplied by base period lines.

(e) In no case shall a price cap local exchange carrier include data associated with services offered pursuant to contract tariff in the calculations required by this section.

[65 FR 38698, June 21, 2000; 65 FR 57741, 57742, Sept. 26, 2000; 76 FR 43214, July 20, 2011]

§ 61.47 Adjustments to the SBI; pricing bands.

(a) In connection with any price cap tariff filing proposing changes in the rates of services in service categories, subcategories, or density zones, the carrier must calculate an SBI value for each affected service category, subcategory, or density zone pursuant to the following methodology:

$$SBI_t = SBI_{t-1} [\sum_i v_i (P_i/P_{t-1})^i]$$

where

- SBI_t = the proposed SBI value,
- SBI_{t-1} = the existing SBI value,
- P_i = the proposed price for rate element “i,”
- P_{t-1} = the existing price for rate element “i,” and
- v_i = the current estimated revenue weight for rate element “i,” calculated as the ratio of the base period demand for the rate element “i” priced at the existing rate, to the base period demand for the entire group of rate elements comprising the service category priced at existing rates.