

**CHAPTER 26. SUBSTANTIVE RULES APPLICABLE TO TELECOMMUNICATIONS PROVIDERS.**

**Subchapter D. RECORDS, REPORTS, AND OTHER REQUIRED INFORMATION.**

**§26.72. Uniform System of Accounts.**

- (a) In this section the term "utility," insofar as it relates to telecommunications utilities, shall refer to dominant carriers. Moreover, the provisions of this section are applicable to all services provided by such carriers. Every utility shall keep uniform accounts as prescribed by the commission of all business transacted. The classification of utilities, index of accounts, definitions, and general instructions pertaining to each uniform system of accounts as amended from time to time shall be adhered to at all times, unless provided otherwise by these rules, or specifically permitted by the commission.
- (b) **Classification.** For the purposes of accounting and reporting to the commission, each public utility shall be classified as follows:
  - (1) **Class A:** utilities with annual regulated operating revenues exceeding \$100 million.
  - (2) **Class B:** utilities with annual regulated operating revenues less than \$100 million.
- (c) **System of accounts.** For the purpose of accounting and reporting to the commission, each public utility shall maintain its books and records in accordance with the following prescribed uniform system of accounts:
  - (1) **Class A:** uniform system of accounts as adopted and amended by the Federal Communications Commission for Class A utilities or other commission-approved system of accounts as will be adequately informative for all regulatory purposes.
  - (2) **Class B:** uniform system of accounts as adopted and amended by the Federal Communications Commission for Class B utilities or other commission-approved system of accounts as will be adequately informative for all regulatory purposes.
- (d) **Other system of accounts.** When a utility has adopted a uniform system of accounts as may be required by a state or federal agency other than those previously mentioned in this section (e.g. United States Department of Agriculture - Rural Utilities Service), that system of accounts may be adopted by the utility after notification to the commission.
- (e) **Merchandise accounting.** Each utility shall keep separate accounts to show all revenues and expenses resulting from the sale or lease of appliances, fixtures, equipment, directory advertising, or other merchandise.
- (f) **Accounting period.** Each utility shall keep its books on a monthly basis so that for each month all transactions applicable thereto shall be entered in the books of the utility.
- (g) **Rules related to capitalization of construction costs.** Each public utility shall accrue interest during construction on both short-term (on an off-book basis, if necessary) and long-term telephone plant under construction to the extent not included in rate base. In the event construction work in progress is included in rate base pursuant to the rules in subsection §23.21(c)(2)(D) of this title (relating to Cost of Service), interest during construction for public utilities shall be discontinued to the extent construction work in progress or telephone plant under construction is allowed.