

This information is not the official version of the Official Compilation of the Rules and Regulations of the State of New York (NYCRR). No representation is made as to its accuracy, nor may it be used as an official business record of the New York State Department of Public Service. To ensure accuracy and for evidentiary purposes, reference should be made to the official NYCRR. The Official NYCRR is available from West Publishing: 1-800-344-5009.

§ 665.1 Purpose of the revenue accounts

The revenue accounts (5000 to 5302, inclusive) are intended to include the actual cash inflows (or equivalents) that have or will occur as a result of the company's ongoing major or central operations during the period. They will include the revenues which arise from furnishing regulated telecommunications services to others, from directory advertising, rentals of telecommunications assets and from providing other services which are directly associated with the provision of regulated telecommunications services. (Note also section 661.9 of this Title.)

§ 665.2 Deductions from revenue

Corrections of overcharges, authorized refunds of overcollections previously credited to revenue, authorized refunds and adjustments on account of failure in service, and other corrections shall be charged to the revenue account previously credited with the amounts involved.

§ 665.3 Commissions

Commissions paid to others or employees in place of compensation or salaries for services rendered, for example, public telephone commissions, shall be charged to the appropriate expense accounts and not to the revenue accounts.

§ 665.4 Revenue recognition

(a) Credits shall be made to the appropriate revenue accounts when such revenue is actually earned. When the billing cycle encompasses more than one accounting period, adjustments are necessary to properly recognize the revenue applicable to the current accounting period under report. Revenues recorded under the terms of two-tier contracts or other variable payment plans should be deferred, if necessary, and recognized ratably with expenses over the term of the related contract. Any amounts deferred shall be credited to account 4360, Other Deferred Credits.

(b) Known amounts of revenue losses due to fire or theft shall be recognized as an operating expense (Note account 5264, Other Incidental Regulated Revenue and account 6728, Other General and Administrative).

(c) Telecommunications service supplied to municipalities without charge, in accordance with franchise requirements, shall be accounted for as provided in account 2690, Intangibles. (Note also account 6564, Amortization Expense--Intangibles and account 6728, Other General and Administrative.) SO PDT 12/01/88 r/a 665.4

§ 665.5 Contractual arrangements

Charges and credits resulting from activities associated with the provision of regulated telecommunications services shall be recorded in a manner consistent with the nature of the underlying contractual arrangements. The charges and credits resulting from expense sharing or apportionment arrangements associated with the provision of regulated telecommunications services shall be recorded in the detailed regulated accounts. Charges and credits resulting from revenue settlement agreements or other revenue pooling arrangements associated with the provision of regulated telecommunications services shall be included in the appropriate revenue accounts. Those charges and credits resulting from contractual revenue pooling and/or sharing agreements shall be recorded in each prescribed revenue account and prescribed subsidiary record categories thereof to the extent that each is separately identifiable in the settlement process. It is not intended that settlement amounts be allocated or generally spread to the individual revenue accounts where they are not separately identifiable in the settlement process. When the settlement amounts are not identifiable by a revenue account they shall be recorded in accounts 5069, Other Local Exchange Revenue Settlements, 5129, Other Long Distance Private

Network Revenue Settlements, 5169, Other Long Distance Revenue Settlements, or 5269, Other Revenue Settlements, as appropriate.

§ 665.6 Subsidiary records

(a) Subsidiary record categories shall be maintained in order that the company may separately report revenues derived from charges imposed under intrastate, interstate and international tariff filings. This jurisdictional subsidiary record requirement applies to all accounts except the Network Access Services Group where separate accounts have been established for Federal and State access revenues.

(b) Subsidiary record categories shall be maintained for the following accounts in order that the company may separately report revenues derived from residential and business customers:

- (1) all accounts in the local network services revenue group;
- (2) account 5081, End User Revenue;
- (3) any end user revenues included in account 5084, State Access Revenues;
- (4) account 5100, Long Distance Message Revenue; and
- (5) account 5110, Unidirectional Long Distance Revenue.

(c) Unless otherwise authorized by this commission the records supporting the entries to telecommunications operating revenue accounts shall be kept so that revenues for each local service area can be readily identified.

§ 665.7 Structure of the revenue accounts

(a) The revenue section of the system of accounts shall be organized by revenue group summary account, account and subsidiary record category (if required).

(b) The revenue section of this system of accounts shall be comprised of five major groups--local network services revenues, network access services revenues, long distance network services revenues, miscellaneous revenues, and uncollectible revenues, which shall be considered as a revenue group for the purposes of the construction of the system.

(c) Summary accounts within revenue groups shall be used to describe aggregations of two or more accounts having a certain commonality. Summary accounts are assigned numbers so that they may be used to aggregate accounts for reporting purposes.

(d) Accounts shall be maintained as prescribed in this section subject to the conditions described in section 661.3 of this Title. In certain instances, subsidiary record categories may be required below the account level by this system of accounts or by commission order.

§ 665.8 Local network services revenues

Local network services revenues (accounts 5000-5069) shall include revenues derived from the provision of service and equipment entirely within the basic service area. That area is defined as the normal boundaries for local calling plus Extended Area Service (EAS) boundaries as they apply to that service. It includes revenues derived from both local private network service and local public network services as well as from customer premises facilities services. Local revenues include associated charges such as one-time service connection or termination charges and secondary features such as call waiting.

§ 665.9 Network access revenues

(a) Network access revenues (accounts 5080-5084) shall include revenues derived from the provision of exchange access services to an interexchange carrier or to an end user of telecommunications services beyond the exchange carrier's network.

(b) Billing and collections service provided under exchange access tariffs shall be included in the Miscellaneous Revenues Group.

§ 665.10 Long distance network services revenues

Long distance network services revenues shall include revenues derived from the provision of services beyond the basic service area, whether message or flat-rate and including public network switching as well as private.

§ 665.11 Miscellaneous revenues

Miscellaneous revenues are those revenues derived from the provision of regulated products and services provided under tariff or contract but not contained elsewhere. They shall also include operating revenue derived from activities performed incident to the company's tariffed telecommunications operations which, though nontariffed, are included in the regulatory process.

§ 665.12 Nonregulated revenues

The nonregulated revenue account shall be used for nonregulated operating revenues when a nonregulated activity involves the common or joint use of assets or resources in the provision of regulated and nonregulated products or services and when such activity is accounted for, as required in section 661.14 of this Title, within the accounts prescribed in this system for telephone company operations. Revenues from nontariffed services offered incidental to tariffed services may be accounted for as regulated revenues, provided the activities, subject to commission approval, comply with the following criteria. The activity must have been traditionally treated as regulated for intrastate ratemaking purposes or the activity must be a natural outgrowth of regulated operations. The activity must not constitute a separate line of business. A description of and justifications for each incidental activity must be included in a company's cost manual, or in the commission-approved Cost Allocation Manual for any company required to file a Cost Allocation Manual.

§ 665.13 Uncollectible revenues

Uncollectible revenues shall include amounts originally credited to the revenue accounts which have proved impracticable of collection.