

Where:

“Book Value of particular component” is the total of the book values of that component for all local exchange carriers with annual revenues of \$100 million or more.

“Book Value of Debt+Book Value of Preferred Stock+Book Value of Equity” is the total of the book values of all the components for all local exchange carriers with annual revenues of \$100 million or more.

The total of all proportions shall equal 1.00.

15. A new § 65.305 is added to read as follows:

**§ 65.305 Calculation of the weighted average cost of capital.**

(a) The composite weighted average cost of capital is the sum of the cost of debt, the cost of preferred stock, and the cost of equity, each weighted by its proportion in the capital structure of the telephone companies.

(b) Unless the Commission determines to the contrary in a prescription proceeding, the composite weighted average cost of debt and cost of preferred stock is the composite weight computed in accordance with § 65.304 multiplied by the composite cost of the component computed in accordance with § 65.301 or § 65.302, as applicable. The composite weighted average cost of equity will be determined in each prescription proceeding.

16. A new § 65.306 is added to read as follows:

**§ 65.306 Calculation accuracy.**

In a prescription proceeding, the final determinations of the cost of equity, cost of debt, cost of preferred stock and their capital structure weights shall be accurate to two decimal places.

17. Section 65.500 is revised to read as follows:

**§ 65.500 Net income.**

The net income methodology specified in § 65.450 shall be utilized by all interexchange carriers that are so designated by Commission order.

18. Section 65.600(b) is revised to read as follows:

**§ 65.600 Rate of return reports.**

\* \* \* \* \*

(b) Each local exchange carrier or group of affiliated carriers which is not subject to §§ 61.41 through 61.49 of this

chapter and which has filed individual access tariffs during the preceding enforcement period shall file with the Commission, within three (3) months after the end of each calendar quarter, a quarterly rate of return monitoring report. Each report shall contain two parts. The first part shall contain rate of return information on a cumulative basis from the start of the enforcement period through the end of the quarter being reported. The second part shall contain similar information for the most recent quarter. The final quarterly monitoring report for the entire enforcement period shall be considered the enforcement period report. Reports shall be filed on the appropriate report form prescribed by the Commission (see § 1.795 of this chapter) and shall provide full and specific answers to all questions propounded and information requested in the currently effective report form. The number of copies to be filed shall be specified in the applicable report form. At least one copy of the report shall be signed on the signature page by the responsible officer. A copy of each report shall be retained in the principal office of the respondent and shall be filed in such manner as to be readily available for reference and inspection. Final adjustments to the enforcement period shall be made by September 30 of the year following the enforcement period to ensure that any refunds can be properly reflected in an annual access filing.

\* \* \* \* \*

**§ 65.700 [Amended]**

19. In § 65.700, paragraph (c) is removed and paragraph (d) is redesignated as paragraph (c).

20. Section 65.701 is revised to read as follows:

**§ 65.701 Period of review.**

For both exchange and interexchange carriers subject to this part, interstate earnings shall be measured over a two year period to determine compliance with the maximum allowable rate of return. The review periods shall commence on January 1 in odd-numbered years and shall end on December 31 in even-numbered years.

**§ 65.702 [Amended]**

21. In § 65.702, paragraph (a) is removed and paragraphs (b) and (c) are redesignated as (a) and (b) respectively.

**§ 65.703 [Removed]**

Section 65.703 is removed.

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**47 CFR Part 74**

[MM Docket No. 93-24]

**Experimental, Auxiliary, and Special Broadcast and Other Program Distributional Services; ITFS Filing Window; Correction**

AGENCY: Federal Communications Commission.

ACTION: Final rule; correction.

SUMMARY: This document contains corrections to the Federal Register summary of the *Report and Order* in MM Docket No. 93-24, which was published April 25, 1995 (60 FR 20241). The Federal Register summary contained regulation related to the Instructional Television Fixed Service.

EFFECTIVE DATE: May 25, 1995.

FOR FURTHER INFORMATION CONTACT: Clay Pendarvis (202) 418-1600.

**Need for Correction**

As published, the FR Notice gave an erroneous effective date for the above Order which may prove to be misleading and is in need of clarification.

**Correction of Publication**

Accordingly, the publication of the April 25, 1995, FR Notice 95-10024 is corrected as follows:

Paragraph 1. On page 20241, in the second column, after the phrase “EFFECTIVE DATE” is revised to read: “The change to the rules adopted in the Commission’s Report and Order in MM Docket No. 93-24 will become effective May 25, 1995.

Paragraph 2. On page 20246, in third column, line seven of paragraph 47, after the word “effective” is corrected to read “May 25, 1995”.

Federal Communications Commission.

**William F. Caton,**  
*Acting Secretary.*

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