**Section 791.40 Methods and Assumptions**

a) The methodology and assumptions in this Part apply to cost studies required by this Part and the Act.

b) Nothing in this Part shall require a carrier in any LRSIC study to account for, allocate, apportion, assign or reflect costs in any manner inconsistent with the Uniform System of Accounts (83 Ill. Adm. Code 710) or the Federal Communications Commission's Uniform System of Accounts (47 CFR 32).

c) Since LRSIC represents a measurement of the costs to a carrier of providing a service or group of services on a prospective basis over a planning horizon long enough to have no sunk inputs or costs, when determining the LRSIC of a service or a group of services, use of the following assumptions and methods shall be presumed reasonable:

1) The LRSIC study shall be based upon the locations of, and planned locational changes to, the existing central office and facilities configuration. As used in this Section, "facilities" shall be interpreted to include feeder routes, central offices, drop wire, network interface devices, and other specific items that make up the facilities of a telecommunications company;

2) To the fullest extent possible, volume-insensitive costs shall be directly attributed to particular services or, where shared by a group of services, to that group of services, consistent with the cost causation principle;

3) Volume-sensitive costs shall be directly attributed to the service that causes the costs, consistent with the cost causation principle;

4) The LRSIC study shall reflect the demand for the entire service that is affected by the business or regulatory decision at hand. If the LRSIC study is for a new service, the study shall include all demand forecasts used in the computations.

(Source: Amended at 27 Ill. Reg. 4535, effective April 1, 2003)