**Section 285.115 Definitions**

"Act" means the Public Utilities Act [220 ILCS 5].

“Affiliate” or “affiliated interests” means the entities defined in Section 7-101 of the Act [220 ILCS 5/7-101].

"Annual interest expense" equals annualized coupon interest plus annualized debt expense amortization plus (less) annualized discount (premium) amortization.

“Applicable service” means the service to which the requested rate changes apply and over which the Commission has authority to grant the request.

"Average data" means the arithmetic mean of beginning and end-of-year balances.

“Capital structure measurement period” refers to the period or point in time at which all long-term components of the capital structure are measured. This may differ from the “test year”.

"Carrying value" equals face amount of debt outstanding less (plus) unamortized discount (premium) less unamortized expense.

"Compensating balance" refers to the amount required by a bank for extending a loan. For purposes of this Subpart, the amount of Rural Telephone Finance Corporation (RTFC) stock purchased pursuant to an RTFC loan agreement shall be considered a compensating balance.

"Current proceeds" equals the sum of net proceeds at issue date less all interest or dividend payments, less all remarketing fees, less the cost of all principal retirements plus all interest or dividend income to date.

“Day” means calendar day unless otherwise specified.

"Direct payroll" means the amount of payroll costs initially charged to a given expense, capital or other account, exclusive of amounts charged in error and subsequently corrected, rather than amounts for payroll costs that were initially charged to a clearing or sundry account and subsequently charged into a given expense or capital account through a reallocation.

"Discount rate" refers to the internal rate of return.

"Gross proceeds" refers to the total price paid by stockholders.

"Interest requirement" equals the annualized interest payable on short-term debt.

"Internal rate of return method" refers to the calculation of the embedded cost of debt and preferred stock by equating the present value of cash flows associated with an issue to its current proceeds.

"Jurisdictional" means each portion of a utility's certificated service for which the Commission has regulatory authority.

"Long-term debt" refers to debt that matures more than one year after the issue date.

"Maturity date" refers to the date on which the principal amount of a debt security becomes payable or the termination date on which an installment loan must be paid in full.

"Monthly average data" means the arithmetic mean of the 12 monthly averages for the test year or prior years; each monthly average is the arithmetic mean of the beginning and end-of-month balances.

"Monthly balance" means the end-of-month balance.

"Net proceeds" equals principal, par or stated amount outstanding less (plus) discount (premium) less issuance expense.

"Net proceeds method" refers to the calculation of the embedded cost of debt by dividing annual interest by carrying value and to the calculation of the embedded cost of preferred stock by dividing annual dividend requirements by net proceeds.

"Non-utility" means any business, enterprise or activity not essentially and directly connected with the provision of utility service.

"Parent company" means any corporation holding the power to vote either a majority of the voting capital stock of a public utility, or a majority of the voting capital stock of a company that is a parent company by virtue of this definition.

"Preferred stock" includes both preferred and preference stock.

"Reacquired issue" refers to a security retired before its maturity date.

"Refunded issue" refers to a security retired before its maturity date with proceeds from another issue.

"Refunding issue" refers to a security issued to retire another security before the maturity date of the retired security.

“Service” means the specific product or support provided to customers, such as electric, gas, water, or wastewater.

"Short-term debt" refers to debt maturing within one year after the issue date.

"Sinking fund" refers to an account established for the redemption of debt or preferred stock securities at a prescribed date and amount.

"Tariffed rates" means those rates or other charges on file with and approved by the Commission that generate the utility's gross operating revenues for any of the utility’s authorized services, including, but not limited to, energy, delivery, transmission, metering, and bundled services. Tariffed rates, however, do not include rates and charges that can be changed pursuant to conditions set forth in the utility's tariffs. Examples of rates or other charges that can be changed pursuant to conditions set forth in the utility's tariff include, but are not limited to, rates pursuant to the purchased gas adjustment clause, the fuel adjustment clause, pur­chased water and purchased sewage treatment clauses.

"Total company" refers to a utility and its ownership interest in all subsidiary companies.

"Utility" means a public utility as defined by Section 3-105 of the Act [220 ILCS 5/3-105]. "Utility", unless the context indicates differently, includes "telecommunications carriers" as defined in Section 13-202 of the Act [220 ILCS 5/13-202].