**Section 712.210 Analysis of Leased Assets**

a) The capital leases and leasehold improvements of each local exchange carrier are classified into three cost pools: Regulated, Nonregulated, and Other. This analysis is completed through the use of existing company property and lease records. The costs of any leases exclusively used for either regulated or nonregulated services are assigned directly to the appropriate cost pool. All other leases are assigned to the Other Cost Pool by major asset category.

b) The lease and leasehold analysis process is used to apportion Account 2680 Amortizable Tangible Assets.