

Copy for:

✓ Orig. and Copy
to Executive Director

RESOLUTION NO. T-10999

EVALUATION AND COMPLIANCE
DIVISION

DATE: January 23, 1986

R E S O L U T I O N_____
Director_____
Numerical File_____
Alphabetical File_____
Accounting Officer

SUBJECT: Citizens Utilities Company of California - Telephone. Order authorizing revisions in the depreciation rates of all telephone accounts for 1985. Resolution No. T-10999.

WHEREAS: CITIZENS UTILITIES COMPANY OF CALIFORNIA - TELEPHONE, by letter dated June 20, 1985, requests authority under Section 795 of the Public Utilities Code to make revisions in the depreciation rates of all telephone plant accounts based on depreciable plant as of January 1, 1985.

The rates authorized by this resolution result in an annual increase in depreciation accrual of approximately \$204,000 based on estimated 1985 average plant-in-service. The proposed depreciation rates and depreciation accruals are set forth in the attached Table A and Table B, respectively. The proposed rates and accruals are based on the three-way agreement between the staff of the Public Staff Division (PSD), Citizens, and the staff of the Federal Communications Commission. The agreement was reached on September 19, 1985.

The revisions in depreciation rates reflect changes in service life, future net salvage and retirement pattern due to technological changes and plant additions.

In accordance with the procedures for depreciation reviews adopted by the Commission on September 13, 1977, PSD gave notice of the proposed depreciation rates to interested parties by letter dated September 26, 1985. By October 28, 1985, the 30-day response period, staff had received no protests.

The Commission finds that the proposed revisions of the depreciation rates are just and reasonable; therefore, good cause appearing,

IT IS ORDERED that authority is granted to make the depreciation revisions effective for the calendar year 1985 and subsequent years until the Utility files with the Commission a new depreciation study.

The effective date of this Resolution is today.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the Public Utilities Commission of the State of California, held on January 23, 1986, the following Commissioners voting favorably thereon:

DONALD VIAL
President
PRISCILLA C. GREW
FREDERICK R. DUDA
Commissioners


Executive Director

TABLE A

CITIZENS UTILITIES COMPANY OF CALIFORNIA
1965 DEPRECIATION RATE REVIEWSTATEMENT A
VINTASE-GROUP PROCEDURE, REMAINING-LIFE TECHNIQUE

ACCOUNT DESCRIPTION	CURRENT PARAMETERS			PROPOSED PARAMETERS		
	AVERAGE REMAIN. LIFE	FUTURE NET SAL. RATE %	ACCRUAL RATE %	AVERAGE REMAIN. LIFE	FUTURE NET SAL. RATE %	ACCRUAL RATE %
	A	B	C	D	E	F
212.00 BUILDINGS	36.63	-13.00	2.85	40.48	0.00	2.23
221.20 STEP BY STEP COE	4.36	0.00	16.30	2.40	-5.00	26.02
221.40 CIRCUIT COE	10.89	1.00	6.02	10.56	3.00	6.44
221.50 RADIO COE	12.03	1.00	6.22	12.05	0.00	5.96
221.60 ELECTRONIC COE	0.26	1.00	9.33	15.90	1.00	4.53
231.20 STATION APP OTHER	3.75	8.00	9.77	6.70	0.00	10.95
234.20 EMERG REPORTING EQ	9.27	0.00	6.14	5.42	0.00	9.24
235.10 PUB TEL EQ COIN	9.88	3.00	6.27	7.21	1.00	8.22
235.20 PUB TEL EQ COINLESS	9.88	3.00	6.27	9.61	1.00	9.96
235.30 PUB TEL EQ BOOTHS	16.27	0.00	4.35	11.38	0.00	6.20
241.00 POLE LINES	24.46	-70.00	5.28	24.65	-70.00	5.29
242.10 AERIAL CABLE	14.62	-15.00	6.84	19.49	-16.00	5.26
242.20 UNDERGROUND CABLE	24.30	-3.00	3.91	22.63	-4.00	4.13
242.30 BURIED CABLE	24.06	-15.00	4.12	20.57	-8.00	4.41
243.00 AERIAL WIRE	14.21	-50.00	7.68	14.47	-70.00	8.93
244.00 UNDERGROUND CONDUIT	44.01	-2.00	2.03	49.43	-2.00	1.73
261.10 FURN AND OFFICE EQ	14.10	3.00	4.74	21.15	3.00	3.22
261.20 COMPUTERS	9.63	0.00	0.48	8.85	0.00	9.19
262.10 OTHER COM EQ	4.80	0.00	13.29	10.34	0.00	5.02
262.20 OTHER COM EQ LG PBX	4.80	0.00	13.29	5.42	0.00	10.03
264.10 VEHICLES	4.72	12.00	10.86	4.76	12.00	8.99
264.20 TOOLS	11.64	4.00	5.17	11.63	4.00	5.61
COMPOSITE RATE			6.78			6.91

TABLE B

CITIZENS UTILITIES COMPANY OF CALIFORNIA
1985 DEPRECIATION RATE REVIEWSTATEMENT B
VINTAGE-GROUP PROCEDURE, REMAINING-LIFE TECHNIQUE

ACCOUNT DESCRIPTION	1985	1985 ANNUALIZED DEPRECIATION ACCRUAL		
	AVERAGE PLANT INVESTMENT	CURRENT	PROPOSED	DIFFERENCE
	G	H = G * C	I = G * F	J = I - H
212.00 BUILDINGS	\$20,650,007	\$590,590	\$460,495	(\$130,095)
221.20 STEP BY STEP COE	16,986,719	2,768,835	4,419,944	1,651,109
221.40 CIRCUIT COE	10,496,198	631,871	675,955	44,084
221.50 RADIO COE	7,813,205	485,981	465,667	(20,314)
221.60 ELECTRONIC COE	17,955,142	1,675,215	813,368	(861,847)
231.20 STATION APP OTHER	60,409	6,684	7,491	807
234.20 EMERG REPORTING EQ	45,035	2,765	4,161	1,396
235.10 PUB TEL EQ COIN	314,112	19,695	25,820	6,125
235.20 PUB TEL EQ COINLESS	6,170	387	615	228
235.30 PUB TEL EQ BOOTHS	298,353	12,978	18,498	5,520
241.00 POLE LINES	11,105,675	586,380	587,490	1,110
242.10 AERIAL CABLE	26,636,458	1,821,934	1,347,205	(474,729)
242.20 UNDERGROUND CABLE	9,610,602	375,775	396,918	21,143
242.30 BURIED CABLE	21,747,965	896,016	959,085	63,069
243.00 AERIAL WIRE	2,488,510	191,118	222,224	31,106
244.00 UNDERGROUND CONDUIT	5,781,546	117,365	103,490	(13,875)
261.10 FURN AND OFFICE EQ	1,517,092	71,910	48,850	(23,060)
261.20 COMPUTERS	522,492	44,307	48,017	3,710
262.10 OTHER COM EQ	511,172	67,935	25,661	(42,274)
262.20 OTHER COM EQ LG PBX	301,543	40,075	30,245	(9,830)
264.10 VEHICLES	3,075,363	333,984	276,168	(57,816)
264.20 TOOLS	1,740,711	89,995	97,654	7,659
TOTAL	\$159,672,479	\$10,831,795	\$11,035,621	\$203,826