

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

C-17

Copy for:

Orig. and Copy
to Executive Director

RESOLUTION NO. T-11069

EVALUATION AND COMPLIANCE
DIVISION

DATE: October 1, 1986

R E S O L U T I O N

Director

Numerical File

Alphabetical File

Accounting Officer

SUBJECT: General Telephone Company of California (General).
Order authorizing revisions in the depreciation rates
of all telephone accounts for 1987. Resolution No.
T-11069.

WHEREAS: GENERAL TELEPHONE COMPANY OF CALIFORNIA, by
Letter dated June 4, 1986, requests authority under Section 795
of the Public Utilities Code to update the depreciation rates of
all telephone plant based on 1986 weighted average depreciable
plant.

The rates authorized by this resolution result in an annual
increase in depreciation accruals of approximately \$7,000,000
based on estimated 1986 average plant-in-service. The proposed
depreciation rates and depreciation accruals are set forth in the
attached Table A.

This resolution authorizes General's request to amortize the
depreciation expenses to offset extraordinary retirements in the
Circuit Equipment and Radio Equipment categories of the Central
Office Equipment accounts, without offsetting revenues. General
is authorized to accrue \$49,245,000 on its books for the above
plant by December 31, 1987.

The requested revision in depreciation rates reflects changes in
the composition of General's plant and the relative growth and
decline in depreciation reserve. General's present depreciation
rates were last approved in Decision No. 85-12-081 for calendar
year 1986.

In accordance with the procedures for depreciation reviews
adopted by the Commission on September 13, 1977, Public Staff
Division gave notice of the proposed depreciation rates to
interested parties by letter dated August 5, 1986. By
September 5, 1986, the 30-day response period, staff had received
no protests.

The Commission finds that the proposed revisions of the
depreciation rates are appropriate; therefore good cause appearing, |

IT IS ORDERED that:

(1) Authority is granted to make effective on January 1, 1987 the revised depreciation rates for the calendar year 1987 and subsequent years until General files with the Commission a new depreciation study.

(2) General is authorized to amortize depreciation expenses to offset extraordinary retirements as discussed in this resolution. The amortization of the depreciation expenses shall be effective immediately.

(3) This resolution is not a finding of reasonableness for ratemaking purposes. That issue would be considered in a formal rate proceeding.

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 October 1, 1986, the following Commissioners voting favorable thereon:



Executive Director

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
STANLEY W. HULETT
Commissioners

TABLE A
GENERAL TELEPHONE COMPANY OF CALIFORNIA

**COMPARISON OF PRESENT AND PROPOSED
CAPITAL RECOVERY RATES FOR 1987
1987 ATTRITION CASE
(IN THOUSANDS OF DOLLARS)**

ACCOUNT NO.	FDC	GTC	CLASS OF PLANT	ADOPTED 1986 WTD AVG PLANT		PRESENT RATES ACCRUAL		PROPOSED RATES ACCRUAL		DIFFERENCE (PROPOSED - PRESENT)
				\$	%	\$	%	\$	%	
212.0	121		BUILDINGS	430918	3.15%	13565	3.35%	14451	686	
221.1	201		COE ELECTRONIC TOLL SW.	165375	6.85%	7253	6.54%	6926	-327	
221.2	202		COE MANUAL SW. EQUIP.	45982	13.07%	6008	16.67%	7664	1656	
221.3	203		COE AUTOMATIC SW. SYS	325787	30.17%	144158	44.25%	144158	0	
221.4	204		COE MESSAGE RECORD. EQUIP.	15428	48.64%	11269	73.17%	11269	0	
221.5	205		COE CIRCUIT EQUIPMENT	851675	9.34%	79549	9.49%	80787	1238	
221.5	205		COE CIRCUIT EQUIPMENT - AMORT.					45066	45066	
221.6	206		COE RADIO EQUIPMENT	41913	9.41%	3945	9.40%	3938	-7	
221.6	206		COE RADIO EQUIPMENT - AMORT.					4160	4160	
221.7	207		COE ELECTRONIC SW.-ANALOG	581330	10.30%	59881	10.71%	62281	2420	
221.8	208		COE ELECTRONIC SW.-DIGITAL	683665	5.13%	35099	5.15%	35210	111	
231.1	401		TELEPHONE STATION APPAR.	359925		65562		65562	0	
231.2	404		TELETYPE/TELEX EQUIPMENT	25563		4069		4069	0	
232.0	450		STA. CONN.-INSIDE WIRES	415646	10.00%	41577	10.00%	41577	0	
255.0	470		PUB. TELEPHONE EQUIP.	26569	10.46%	2991	9.05%	2587	-404	
234.0	300		LARGE PRIV. BRANCH ETCN.	56976		13421		13421	0	
241.0	601		POLE LINES	65602	4.95%	4239	4.94%	4226	-13	
242.1	602		AERIAL CABLE	536061	5.16%	27658	5.10%	27334	-324	
242.1	602		AERIAL CABLE - AMORT.			343		343	0	
242.2	603		UNDERGROUND CABLE	728255	3.97%	28902	3.98%	28970	68	
242.2	603		UNDERGROUND CABLE - AMORT.			424		424	0	
242.3	604		BURIED CABLE	358230	5.27%	18877	5.30%	18975	98	
242.3	604		BURIED CABLE - AMORT.			233		233	0	
242.4	605		SUBMARINE CABLE	1315	4.26%	56	4.25%	56	0	
243.0	606		AERIAL WIRE	7609	8.44%	642	8.50%	632	-10	
244.0	607		UNDERGROUND CONDUIT	490453	1.94%	9511	1.94%	9521	10	
261.0	811		FURNITURE & OFFICE EQUIP.	81314	7.03%	5718	8.79%	7145	1427	
262.1	320		COMPANY EQUIP.-LPTD	15768	10.11%	1594	11.22%	1769	175	
262.2	430		COMPANY EQUIP.-STA APP	34340	14.71%	5052	11.74%	4031	-1021	
262.3	434		COMPANY EQUIP.-TTY	14757	10.99%	1622	13.04%	1924	302	
262.4	437		COMPANY EQUIP.-FACSIM	4326	9.37%	405	9.94%	430	25	
264.0	870		ACTIVIZATION-MINOR TOOLS	2793	20.00%	931	20.00%	931	0	
264.1	821		MOTOR VEHICLES	96463	7.25%	6997	7.81%	7531	534	
264.2	831		MOTOR VEHICLE SHOP EQUIP.	3335	4.96%	166	5.19%	173	7	
264.3	841		TOOLS & OTHER WORK EQUIP.	39238	4.48%	1756	4.56%	1789	33	
264.4	842		TRAIL & OTH. MOBILE TLS.	20348	3.05%	620	3.12%	635	15	

TOTAL ALL ACCOUNTS

6491782

604133

611012

6879

EXPENSE WRITE-OFF

0

49246

49246

COMPOSITE RATE

9.31%

9.41%

Revenue Change = (1987 Accrual - 1986 Accrual) x 0.7
= (\$611,012 - \$604,133) x 0.7 = 4,815