

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA C-2

Copy for:
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to Executive Director

RESOLUTION NO. T-11095
EVALUATION AND COMPLIANCE
DIVISION
DATE: January 28, 1987

R E S O L U T I O N

Director

Numerical File

Alphabetical File

Accounting Officer

SUBJECT: Roseville Telephone Company. Order Authorizing Revisions in the Depreciation Rates for all Telephone Plant for 1986. Resolution No. T-11095.

WHEREAS; ROSEVILLE TELEPHONE COMPANY, by letter dated November 7, 1986, 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, 1986.

After reviewing Roseville's proposed depreciation schedule (Table A), Public Staff Division recommends a decrease in the depreciation rate for central office equipment from 8.48% to 8.28% (Table B). The change resulted from Roseville's decision to postpone the retirement of its Folsom central office for one year (1990) after it had developed the 8.48% rate. Rates shown in Table B and authorized by this resolution, result in an annual increase in depreciation accrual of approximately \$201,723 based on estimated 1986 average plant-in-service.

The overall revisions in depreciation rates reflect changes in remaining service life, future net salvage and retirement pattern due to technological changes and plant growth. The present depreciation rates of Roseville were represeted in 1983.

In accordance with 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 December 23, 1986. By January 22, 1987, the 30-day response period, Staff had not received any protests.

The Commission finds that the depreciation rates set forth in this Resolution are appropriate. This finding is not a finding of reasonableness for ratemaking purposes. Therefore, good cause appearing,

IT IS THEREFORE ORDERED that authority is granted to make the depreciation revisions as set forth in Table B effective for calendar year 1986 and subsequent years until the Utility files a new depreciation study with the Commission.

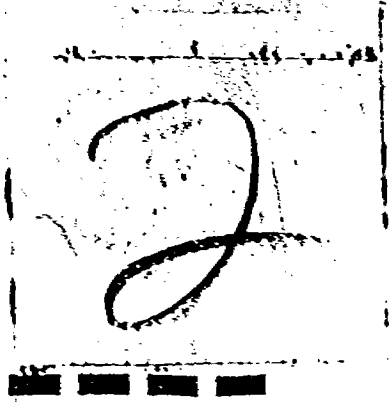
The effective date of this Resolution is today.

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 28, 1987, the following Commissioners voting favorably thereon:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
Commissioners



Executive Director

THE NEXT 
DOCUMENTS
ARE POOR
ORIGINALS

MICROFILMING SERVICES
WILL NOT ASSUME
RESPONSIBILITY FOR THE
IMAGE QUALITY

TABLE - A

ROSEVILLE TELEPHONE COMPANY

COMPARISON OF DEPRECIATION ACCRUALS
1983 RATES VS PROPOSED 1986 RATES
ON PLANT AS OF JANUARY 1, 1986

ACCOUNT NUMBER	DESCRIPTION	GROSS PLANT 01/01/86	AT 1983 RATES		AT PROPOSED 1986 RATES	
			RATE %	ACCRUAL \$	RATE %	ACCRUAL \$
			(11)	(12)	(13)	(14)
211.1	LAND IMPROVEMENTS	8130,859	4.01%	5,249	6.85%	48,983
212.0	BUILDINGS	11,982,660	2.96%	354,633	3.03%	363,267
221.0	CENTRAL OFFICE EQUIPMENT	35,390,834	8.10%	2,856,641	8.46%	2,992,597
231.0	STATION APPARATUS	5,205,093	12.20%	635,610	13.85%	720,952
232.0	STATION CONNECTIONS	3,247,107	10.00%	324,711	10.00%	324,711
234.0	LARGE FBI	0	15.19%	0	6.00%	0
235.0	PAY TELEPHONE	413,515	8.35%	34,529	8.57%	35,411
241.0	POLE LINES	809,822	6.87%	55,635	7.94%	64,278
242.1	AERIAL CABLE	8,663,019	5.30%	427,340	5.95%	480,123
242.2	UNDERGROUND CABLE	9,201,368	4.10%	377,256	4.07%	374,440
242.3	BURIED CABLE	4,779,459	4.14%	200,670	2.76%	166,839
243.0	AERIAL CABLE	129,593	20.73%	26,865	19.83%	25,656
244.0	UNDERGROUND CONDUIT	11,940,179	2.22%	265,255	2.24%	267,851
261.0	FURNITURE AND OFFICE EQUIPMENT	1,821,016	5.07%	95,520	8.82%	166,057
262.0	OFFICIAL COMPANY PHONES	270,471	14.25%	38,542	3.24%	6,755
264.1	TOOLS AND YORK EQUIPMENT	1,101,333	4.9%	54,026	4.6%	73,316
264.2	VEHICLES AND ROLLING STOCK	1,121,686	4.1%	49,828	5.6%	63,550
	TOTAL DEPRECIABLE PLANT	497,676,374	6.0%	45,092,365	6.3%	46,156,859

EFFECT OF PROPOSED NEW RATES, BASED ON 01/01/86 PLANT:

ACCRUAL AT PROPOSED RATE \$6,156,859
ACCRUAL AT PRESENT RATE \$5,892,365

DIFFERENCE, INCREASE \$264,494

DIFFERENCE, % OF \$5,892,365 4.60%

TABLE - B

ROSEVILLE TELEPHONE COMPANY
 COMPARISON OF DEPRECIATION ACCRUALS
 1983 RATES VS PROPOSED 1986 RATES
 ON PLANT AS OF JANUARY 1, 1986

ACCOUNT NUMBER	DESCRIPTION	GROSS PLANT 01/01/86	AT 1983 RATES		AT PROPOSED 1986 RATES	
			RATE	ACCRUAL	RATE	ACCRUAL
			(1)	(2)	(3)	(4)
211.1	LAND IMPROVEMENTS	\$130,899	4.01%	5,249	6.83%	\$8,983
212.0	BUILDINGS	11,930,850	2.96%	351,833	3.03%	363,287
221.0	CENTRAL OFFICE EQUIPMENT	35,390,631	8.10%	2,846,441	8.28%	2,929,766
231.0	STATION APPARATUS	5,205,003	12.20%	635,010	13.85%	720,952
232.0	STATION CONNECTIONS	3,247,107	10.00%	324,711	10.00%	324,711
234.0	LARGE PRT	0	15.19%	0	0.00%	0
235.0	PAY TELEPHONE	413,515	0.35%	14,529	0.57%	35,411
241.0	POLE LINES	809,832	6.67%	55,635	7.94%	64,278
242.1	AERIAL CABLE	0,023,019	5.30%	1,227,340	5.95%	1,409,123
242.2	UNDERGROUND CABLE	9,201,328	4.10%	377,256	4.07%	374,443
242.3	BURIED CABLE	6,779,459	4.14%	280,670	2.74%	186,839
243.0	AERIAL CABLE	129,593	20.73%	26,865	19.83%	25,656
244.0	UNDERGROUND CONDUIT	11,948,179	2.22%	265,259	2.24%	267,644
261.0	FURNITURE AND OFFICE EQUIPMENT	1,651,016	5.07%	85,520	0.82%	166,097
262.6	OFFICIAL COMPANY PHONES	270,471	14.25%	39,542	3.24%	8,755
264.1	TOOLS AND WORK EQUIPMENT	1,101,333	4.96%	54,824	4.83%	73,316
264.2	VEHICLES AND ROLLING STOCK	1,121,086	4.45%	49,658	5.67%	63,556
	TOTAL DEPRECIABLE PLANT	497,676,374	6.03%	\$5,892,365	6.24	6094088

EFFECT OF PROPOSED NEW RATES, BASED ON 01/01/86 PLANT:

ACCRUAL AT PROPOSED RATE	\$6,094,088
ACCRUAL AT PRESENT RATE	5,892,365
DIFFERENCE, INCREASE	\$ 201,723
DIFFERENCE, % OF \$5,892,365	3.42%