

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-13053
February 24, 1989

R E S O L U T I O N

Roseville Telephone Company of California. Order authorizing represcription of 1988 straight-line remaining life depreciation rates for all telephone plant.

SUMMARY

Roseville Telephone Company of California (Roseville) proposed represcription of its 1988 depreciation rates for all telephone plant on December 30, 1988. The Division of Ratepayer Advocates (DRA) of the California Public Utilities Commission calculated a lower depreciation rate, which Roseville decided to accept. This resolution authorizes the 1988 straight-line remaining life depreciation rates for all telephone plant for Roseville as set forth in Table A.

BACKGROUND

On December 30, 1988, Roseville filed with the California Public Utilities Commission for represcription[1] of the depreciation rates for all telephone plant. The DRA Staff reviewed Roseville's proposed changes, and has recommended a slightly lower depreciation rate for Account 2121.00, Buildings.

[1] Represcription of depreciation rates includes review of depreciation rates to reflect changes in service life, future net salvage and retirement pattern due to technological changes and growth of telephone plant.

Roseville has agreed to Staff's depreciation rates, as shown in Table A. The proposed 1988 rates result in an estimated annual increase in depreciation accrual of \$554,973, an increase of 8.64% compared to the 1986 rates. This estimate is based on utility plant amounts that have not been investigated for reasonableness or adopted by the Commission. Utility plant amounts for each class of plant are normally reviewed in general rate cases.

Roseville's depreciation rates were last represcribed in 1986 by Resolution No. T-11095, dated January 28, 1987.

In accordance with the procedures for depreciation reviews adopted by the Commission on September 13, 1977, the Depreciation Group of the Division of Ratepayer Advocates gave notice of the proposed depreciation rates to interested parties by letter dated January 18, 1988. No protests or comments during the 30-day response period were received.

FINDINGS


1. The depreciation rates set forth in Table A of this resolution are appropriate for accounting purposes. However, this is not a finding of reasonableness for ratemaking purposes.
2. The review of each class of plant and/or plant mix is normally done in a general rate case proceeding, therefore no finding of reasonableness concerning investment for each class of plant is made.

IT IS ORDERED that:

1. Authority is granted to make the depreciation rate revisions shown in Table A of this resolution, effective for calendar year 1988 and subsequent years until Roseville files a new depreciation study with the Commission.
2. The effective date of this resolution is today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 24, 1989. The following Commissioners approved it:

G. MITCHELL WILK
President
STANLEY W. HULETT
JOHN B. OHANIAN
Commissioners



Executive Director

Commissioner Frederick R. Duda,
being necessarily absent, did not
participate.