### PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION Telecommunications Branch

RESOLUTION T-13081 July 6, 1989

# RESOLUTION

Winterhaven Telephone Company. Order authorizing straight-line remaining life depreciation accrual rates for accounting purposes beginning June 16, 1988.

### SUMMARY

This resolution authorizes the straight line remaining life depreciation accrual rates as transmitted by Winterhaven Telephone Company's letter dated May 15, 1989. The authorized depreciation rates are for accounting purposes for the period beginning June 16, 1988, which is the date Winterhaven Telephone Company's original tariff became effective.

# BACKGROUND

Winterhaven Telephone Company, a wholly owned subsidiary of National Telephone and Telegraph Company, by Application 88-04-045 filed April 15, 1988, requested authority to purchase from Pacific Bell and operate the Winterhaven exchange as a telephone company. The Winterhaven exchange is located in Imperial County in the southeastern corner of California.

By Decision No.88-06-023 dated June 8, 1988, the Commission authorized the sale of the Winterhaven exchange and granted a certificate of public convenience and necessity to Winterhaven Telephone Company to operate as a telephone corporation.

Winterhaven Telephone Company's filed tariffs were approved and became effective on June 16, 1988, which is the date the purchase transaction was consummated.

By letter dated May 15, 1989, Winterhaven Telephone Company submitted for approval a depreciation study using straight line remaining life method based on 1988 estimated gross plant investment of \$2,653,439 and depreciation reserve of \$522,368. The requested depreciation accrual rates and their respective plant-account balances are set forth in Table A of this resolution.

## DISSCUSSION

Based on our review, the requested depreciation accrual rates are appropriate and will be approved for Winterhaven Telephone Company for accounting purposes beginning June 16, 1988. This is, however, not a finding of reasonableness for ratemaking purposes, which is beyond the scope of a normal depreciation study review. The investment in each plant account and/or plant mix shown in Table A was not reviewed since that issue is normally undertaken in a general rate proceeding.

## FINDINGS

- 1. The depreciation accrual 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 investment for each category of plant and/or plant mix is normally done in a general rate case proceeding, therefore no finding of reasonableness concerning investment for each category of plant is made.

# THEREFORE, IT IS ORDERED that:

- 1. Authority is granted to use the depreciation accrual rates set forth in Table A for accounting purposes beginning June 16, 1988 until Winterhaven Telephone Company files a new depreciation study with the Commission.
- 2. The effective date of the resolution is today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 6, 1989. The following Commissioners approved it:

G. MITCHELL WILK
Président
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Executive Director

HILLIT WINTERBAYER TELEPHONE COMPANY

CCATION MINTERBAVEN, CALIFORNIA

ANNUAL DEFRECTATION ACCRUAL AND RATE DETERMINATION STRAIGHT-LINE REMAINING LIFE METHOD YEAR 1988

FILE NO. \_N/A

|         |                           | (1)            | [ [A]             | (§)                               | (5)  | [1]            | [-(e)=       | (c)               | [13]     | [6]                | (0)            |  |
|---------|---------------------------|----------------|-------------------|-----------------------------------|--|----------------|--------------|-------------------|----------|--------------------|----------------|--|
| 1       |                           | 06/16/88       | 651, [U<br>  651. | TURÉ HÉT SALVAGE<br>GRÓSS SALVAGE | 06/16/88<br>DETRICIATION   | ]              | AYĠ.         | المنافقة المنافقة | REMIN-   | AMMAL              | S OF           |  |
| VCCOUNT |                           | GRÓSS<br>FLAHT | LESS C            | OST OF REMUVAL)                   | RESERVE  | NET<br>RALMICE | SERVICE      | I AGE             | LIFE     | ACCRUAL<br>(4):15) | (6)/(1<br>x100 |  |
| HO.     | DESCRIPTION               | (BEG. YEAR)    |                   | INUUN                             | (BEG. YEAR)  | (1)-(2)-(3)    | (YRS.)       | (YRS.)            | (YRS.)   |                    | 2100           |  |
| 22120   | DIGITAL ELECTRONIC        |                |                   |                                   | . – . —  |                |              | <b>.</b>          |          | }                  | 1              |  |
|         | SWITCHING                 | \$ 223,127     | İ                 |                                   | \$ 2,639   | \$ 220,488     | <b>}</b>     | 1                 | 20       | \$ 11,024          | 4.9            |  |
| · 23510 | PUBLIC TELEPHONE TERMINAL | •              |                   | ·                                 | •  |                | <b>j</b> . i | •                 | ]        | }                  | •              |  |
|         | EQUIPMENT                 | 25,000         |                   |                                   | 14,466   | 10,534         |              | •                 | 15       | 702                | 2.8            |  |
| 24110   |                           | 111,919        |                   |                                   | 58,232   | 53,687         | {            |                   | 35       | 1,534              | 1.4            |  |
|         | AERIAL CABLE              | 510,766        |                   | -                                 | 83,509   | 427,257        | }            | 1                 | 35       | 12,207             | 1              |  |
|         |                           |                |                   |                                   |  | 28,982         |              |                   | 35       | 828                | 12.5           |  |
|         | UNDERGROUND CABLE         | 33,218         |                   |                                   | 4,236  |                |              |                   |          |                    | 1              |  |
| : 8     | BURIED CABLE              | 1,662,825      |                   |                                   | 337,570  | 1,325,255      | }            | ] .               | 35       | 37,864             | ł              |  |
| 24310   | ARRIAL WIRE               | 8,400          |                   |                                   | 5,184  | 3,216          | 1            |                   | 5        | 643                | 7.7            |  |
| 24410   | CONDUIT SYSTEMS           | 78,184         |                   |                                   | 16,532   | 61,652         | 1            | 1                 | 35       | 1,761              | 2.3            |  |
| - 1     |                           | \$ 2,653,439   |                   |                                   | \$ 522,368   | \$ 2,131,071   | ł .          | •                 | 32 YR    | \$ 66,563          | 2.5            |  |
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