

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Telecommunications BranchRESOLUTION T-13081
July 6, 1989

R E S O L U T I O N

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.

TABLE A

SUMMARY OF
ANNUAL DEPRECIATION ACCRUAL AND RATE DETERMINATION
STRAIGHT-LINE REMAINING LIFE METHOD
YEAR 1988

UTILITY WINTERHAVEN TELEPHONE COMPANY
LOCATION WINTERHAVEN, CALIFORNIA

FILE NO. N/A

ACCOUNT NO.	DESCRIPTION	(1) 06/16/88 GROSS PLANT (BEG. YEAR)	(A) (2) EST. FUTURE NET SALVAGE (EST. GROSS SALVAGE LESS COST OF REMOVAL)		(3) 06/16/88 DEPRECIATION RESERVE (BEG. YEAR)	(4) NET BALANCE (1)-(2)-(3)	(6) AVG. SERVICE LIFE (YRS.)	(7) AVERAGE AGE (YRS.)	(5) REMAIN- ING LIFE (YRS.)	(8) ANNUAL ACCRUAL (4)/(5) \$	(9) % OF GROSS P (8)/(1) X100
			\$	AMOUNT							
22120	DIGITAL ELECTRONIC SWITCHING	\$ 223,127			\$ 2,639	\$ 220,488			20	\$ 11,024	4.9
23510	PUBLIC TELEPHONE TERMINAL EQUIPMENT	25,000			14,466	10,534			15	702	2.8
24110	POLES	111,919			58,232	53,687			35	1,534	1.4
24210	AERIAL CABLE	510,766			83,509	427,257			35	12,207	2.4
24220	UNDERGROUND CABLE	33,218			4,236	28,982			35	828	2.5
24230	BURIED CABLE	1,662,825			337,570	1,325,255			35	37,864	2.3
24310	AERIAL WIRE	8,400			5,184	3,216			5	643	7.7
24410	CONDUIT SYSTEMS	78,184			16,532	61,652			35	1,761	2.3
		<u>\$ 2,653,439</u>			<u>\$ 522,368</u>	<u>\$ 2,131,071</u>			<u>32 YRS</u>	<u>\$ 66,563</u>	<u>2.5</u>