

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Telecommunications BranchRESOLUTION T-14000
October 12, 1989R E S O L U T I O NSIERRA TELEPHONE. ORDER AUTHORIZING STRAIGHT-LINE
REMAINING LIFE DEPRECIATION ACCRUAL RATES FOR ACCOUNTING
PURPOSES BEGINNING JANUARY 1, 1989.SUMMARY

This Resolution authorizes the straight-line remaining life depreciation accrual rates as transmitted by letter dated July 5, 1989 from Sierra Telephone (Sierra). The authorized depreciation rates are for accounting purposes only and are to be effective beginning January 1, 1989.

BACKGROUND

Sierra's last depreciation study was reviewed and accepted by Commission staff in November 9, 1984. By letter dated July 5, 1989, Sierra submitted for Commission approval a depreciation study using straight-line remaining life method based on its depreciable plant as of January 1, 1989. The requested depreciation accrual rates and their respective plant account balances are set forth in the attached Table A.

DISCUSSION

Based on our review, Sierra's requested depreciation accrual rates are appropriate and should be approved for accounting purposes beginning January 1, 1989. The investment in each plant account and/or plant mix shown in Table A was not subject to review in this Resolution, since that issue is normally undertaken in a general rate proceeding. This Resolution, therefore, is not a finding of reasonableness for ratemaking purposes. The following table is a summary of the depreciation review.

Gross Plant as of Jan. 1 1989	Composite Depreciation Rate		Composite Accruals		Reserve to Plant Ratio
	Present	Proposed	Present	Proposed	
\$32,309,270	7.23%	7.17%	\$2,337,466	\$2,316,328	30.43%

FINDINGS

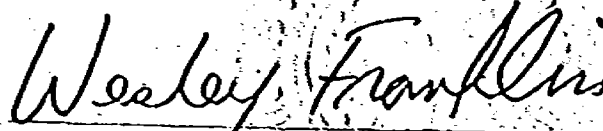
1. The depreciation accrual rates for Sierra set forth in Table A of this Resolution are appropriate for accounting purposes beginning January 1, 1989.
2. The review of investment for each category of plant and/or plant mix is normally done in a general rate case proceeding, therefore, no finding of reasonableness concerning investment for each category is made in this Resolution.

THEREFORE, IT IS ORDERED that:

1. Authority is granted to Sierra Telephone to use the depreciation accrual rates set forth in Table A of this Resolution for accounting purposes beginning January 1, 1989 until the company files with the Commission for and receives Commission approval of a new depreciation study.
2. The effective date of this Resolution is today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 12, 1989. The following Commissioners approved it:

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


WESLEY FRANKLIN
Acting Executive Director

TABLE

SIERRA TELEPHONE COMPANY, Oakhurst, California
 Summary of Annual Depreciation Accrual Calculation
 Straight Line Remaining Life Method

Year of 1989

Accounts	Description	(1) Gross Plant (Reg. Year)	(A) (2) Est. Net Salvage		(3) Depreciation Reserve (Reg. Year)	(4) Net Balance (1)-(2)-(3)	(B) (C) Total Serv. Life		(D) Average Age (yrs)	(5) Remaining Life (yrs)	(6) Annual Accrual (4) / (5)	(E) % of Gross Plant (Rate)
			%	Amount			Orig. Group (yrs)	Survivors (yrs)				
2112-2341	Motor Vehicles	894,586	0.00%	0	495,656	399,550	8		4.29	92,925	10.39%	
2115-2344	Garage Work Equip.	48,148	0.00%	0	31,481	16,659	10		5.58	2,933	5.09%	
2116-2342	Other Work Equipment	832,189	0.00%	0	449,586	382,583	10		5.18	73,862	8.88%	
2121-2120	Buildings	2,411,869	0.00%	0	566,464	1,845,405	43		33.68	60,387	2.50%	
2122-2310	Furniture & Art Work	95,751	0.00%	0	51,575	44,176	13		2.34	18,979	19.72%	
2123-2311	Office Equipment	97,151	0.00%	0	44,894	42,257	18		4.33	9,759	11.20%	
2123-2320	Ofc. Eq. - Commun.	55,554	0.00%	0	11,292	54,262	10		7.43	7,583	11.14%	
2123-2313	Ofc. Eq. - P C's	284,832	0.00%	0	176,994	97,838	5		2.19	39,743	15.05%	
2124-2312	Gen Purpose Computer	349,999	0.00%	0	297,872	51,127	5		1.86	27,488	7.88%	
2212-2211	Digital Elec. Switch	3,854,963	0.00%	115,549	214,192	3,525,122	10		9.48	371,848	9.65%	
2215-2212/3	Electro-Mech. Switch	1,974,886	0.00%	59,244	753,784	1,161,858	10		3.36	345,791	17.51%	
2220-2211/2	Operator	126,319	0.00%	3,793	11,582	110,947	10		9.19	11,691	9.26%	
2231-2231/2	Circuit Equip.	3,871,833	0.00%	116,131	1,685,153	2,059,724	10		6.83	343,234	8.87%	
2232-2233	Radio Systems	1,877,481	0.00%	56,322	271,511	1,549,569	10		6.58	231,971	12.35%	
2351-2351/2	Public Tel. Term.	129,923	0.00%	0	63,448	66,475	10		5.68	13,295	10.23%	
2411-2411	Poles	111,957	0.00%	0	5,211	186,745	20		11.68	9,846	8.00%	
2421-2421	Aerial Cable	841,566	0.00%	0	166,136	575,538	20		11.59	58,286	8.93%	
2422-2422	Undergr. Cable	842,258	0.00%	0	175,985	466,353	25		17.79	26,214	4.89%	
2423-2423	Buried Cable	13,228,357	0.00%	0	4,123,392	9,097,465	25		16.78	542,151	4.10%	
2431-2431	Aerial Wire	21,536	0.00%	0	6,276	15,260	18		2.56	5,961	27.66%	
2441-2441	Conduit Systems	588,448	0.00%	0	238,424	358,015	25		15.15	23,631	4.02%	
SUB TOTALS - Telephone Plant		32,389,278			9,832,913	22,125,221				2,316,328		
2321	Customer Prem. Wire	429,629			72,395	357,234						
2113	Aircraft	203,598			98,832	113,566						
TOTAL PLANT		32,942,497			9,995,348	22,595,821						

AMORTIZATION

138,892