

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Telecommunications BranchRESOLUTION NO. T-14240  
December 19, 1990**R E S O L U T I O N**

American Telephone & Telegraph Company of California. Order authorizing rescription of 1990 straight-line remaining life depreciation rates for all telephone plant.

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**SUMMARY**

American Telephone & Telegraph Company of California (AT&T) proposed rescription of its 1990 depreciation rates for all telephone plant in April 1990. Based on review for reasonableness, the Division of Ratepayer Advocates (DRA) of the California Public Utilities Commission reached an agreement with AT&T concerning appropriate depreciation rates. Following notification and a comment period for interested parties, the California Commission authorizes the 1990 straight-line remaining life depreciation rates for all telephone plant for AT&T as set forth in Table A.

**BACKGROUND**

On July 25, 1990, AT&T filed with the CPUC for rescription of depreciation rates for telephone plant. Rescription of depreciation rates includes review of depreciation rates to reflect changes in service life, future net salvage, and retirement patterns due to technological changes and growth of telephone plant. Previously on February 15, 1989, AT&T filed for rescription with the FCC. The FCC authorized AT&T's request on January 31, 1990 for the calendar year 1990.

AT&T was advised by the DRA staff to remove the impacts of reserve deficiency amortizations and use of equal life group (ELG) method as required in Commission Decision 85-08-047. AT&T amended its request and filed for rescription of the depreciation rates effective January 1, 1990 resulting in an

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increase in depreciation accrual of \$3.75 million based on January 1, 1990 plant of \$568 million.

The depreciation rates of AT&T were last represeted by Resolution T-13095, dated September 7, 1989.

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 (DRA) gave notice of the proposed depreciation rates to interested parties by letter dated October 3, 1990. No protests or comments during the 30-day response period were received.

#### FINDINGS

1. The depreciation rates set forth in Table A are reasonable.
2. No finding is made concerning the reasonableness or unreasonableness of investment for each class of plant.

#### 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 1990.
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 December 19, 1990. The following Commissioners approved it:

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

  
NEAL J. SHULMAN  
Executive Director

TABLE A  
AT&T COMMUNICATIONS  
DEPRECIATION ACCRUALS

ACCT. NUMBER	PLANT ITEM	01/01/90 INTRASTATE INVESTMENT	DEPRECIATION RATE		DEPRECIATION ACCRUALS		AMORTIZATION		CHANGE
			PRESENT X	PROPOSED X	PRESENT RATE	PROPOSED RATE	PRESENT RATES	PROPOSED RATES	
A	B	C	D	E	F=C x D	G=C x E	H	I	J=G+I-F-R
2112	MOTOR VEHICLES	404181	-3.20	-1.90	-12934	-7679			5254
2114-2116	TOOLS & EQ	9334309	6.00	4.30	560059	401375			-158683
2121	BUILDINGS	72868947	1.70	2.50	1238772	1821724			582952
2122	FURNITURE	1110538	5.10	5.10	56637	56637			0
2123	OFFICE EQPT	825616	8.20	6.60	67701	54491			-13210
2124	COMPUTERS	1704858	0.00	25.80	0	439853			439853
2211	COE ANALOG	1836391	28.70	28.70	527044	527044			0
2212	COE DIGITAL	140868420	5.90	6.10	8311237	8592974			281737
2215	COE CROSSBAR	149253	0.00	0.00	0	0			0
2220	COE OP SYS-OTH	27096835	0.00	0.00	0	0	6580232	6580232	0
2220(567)	COE OP SYS-OSPS	2031110	10.90	11.50	221391	233578			12187
2221	COE RADIO-ANALOG	37160770	0.00	0.00	0	0	6253112	6253112	0
2231.2	COE RADIO-DIGITAL	18385972	11.70	13.10	2151159	2408562			257404
2232(357)	COE CIR-DIGITAL	73564266	10.20	12.20	7503555	8974840			1471285
2232(57)	COE CIR-ANALOG	100208331	0.00	0.00	0	0	27248283	27248283	0
2351	PUB TEL TERM EQ	4272337	7.50	8.00	320425	341787			21362
2362	OTHER TERM EQ	39951	14.60	0.70	5833	280			-5553
2411	POLES	36022	10.30	10.70	3710	3854			144
2421	AERIAL CABLE	108866	5.80	36.20	6314	39409			33095
2422	UNDERGROUND CABLE-	10154104	0.00	0.00	0	0	2563320	2563320	0
2422	UNDERGROUND CABLE-	26425277	7.00	7.80	1849769	2061172			211402
2423	BURIED CABLE-M	7537101	0.00	0.00	0	0	841288	841288	0
2423	BURIED CABLE-NM	1286027	11.10	15.00	142749	192904			50155
2424	SUBMARINE CABLE-M	459606	0.00	0.00	0	0	60981	60981	0
2424	SUBMARINE CABLE-NM	405207	6.50	11.80	26338	47814			21476
2441	CONDUIT SYSTEM	29731674	1.70	3.50	505438	1040609			535170
TOTAL		568005969			23485199	27231228	43547216	43547216	3746030