

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Telecommunications BranchRESOLUTION NO. T-14733  
December 18, 1991**R E S O L U T I O N**

RESOLUTION T-14733. AMERICAN TELEPHONE & TELEGRAPH COMPANY OF CALIFORNIA. ORDER CONCERNING REPRESCRIPTION OF 1991 STRAIGHT-LINE REMAINING LIFE DEPRECIATION RATES FOR ALL INTRASTATE TELEPHONE PLANT.

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**SUMMARY**

American Telephone & Telegraph Company of California (AT&T) proposed represcription of its 1991 depreciation rates for all telephone plant in April 1991. Based on review for reasonableness, Commission staff reached an agreement with AT&T concerning appropriate depreciation rates.

This Resolution authorizes the 1991 straight-line remaining life depreciation rates for all intrastate telephone plant for AT&T as set forth in Table A (attached).

**BACKGROUND**

On April 26, 1991, AT&T filed with the California Public Utilities Commission (CPUC) for represcription [1] of the depreciation rates for all telephone plant. Previously on February 22, 1991, AT&T filed for represcription with the Federal Communications Commission (FCC). FCC staff approved AT&T's request on May 15, 1991.

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[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.

**NOTICE/PROTESTS**

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 July 23, 1991.

No protests or comments were received during the 30-day response period.

**DISCUSSION**

After a review of the original prescription proposal, CPUC staff advised AT&T to remove impacts of reserve deficiency amortization and the use of equal life group method and to incorporate retirement schedules applicable to plant in California. AT&T submitted its revised proposal on September 6, 1991. The resulting 1991 depreciation rates as shown in Table A were agreed to by Staff. The depreciation rates of AT&T were last prescribed by Resolution T-14240, dated December 19, 1990.

The proposed 1991 rates result in an estimated annual decrease in depreciation accrual of \$8.3 million. This estimate is based on January 1, 1991, plant investment of \$499 million. The investment amounts have not been investigated or adopted by the Commission.

**FINDINGS**

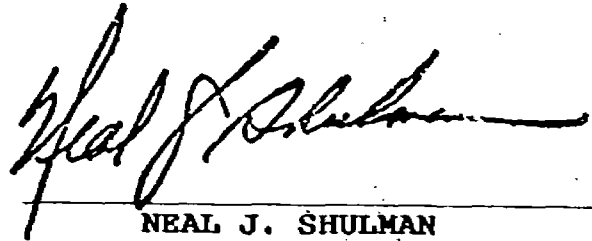
1. The depreciation rates set forth in Table A are reasonable.
2. No finding is made concerning the reasonableness of investment for each class of plant.

THEREFORE, 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 1991 and subsequent years until revised by this Commission.

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 18, 1991. The following Commissioners approved it:



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NEAL J. SHULMAN  
Executive Director

PATRICIA M. ECKERT  
President  
JOHN B. OHANIAN  
DANIEL Wm. FESSLER  
NORMAN D. SHUMWAY  
Commissioners

TABLE A  
AT&T COMMUNICATIONS  
DEPRECIATION RATES AND ACCRUALS  
EFFECTIVE 01/01/91

ACCT. NUMBER	PLANT ITEM	01/01/91 INTRASTATE INVESTMENT	DEPRECIATION RATE %	DEPRECIATION ACCRUALS \$	AMORTIZATION AMOUNT \$	TOTAL \$
2112	MOTOR VEHICLES	\$354,911	-2.90	-10292	0	-10292
2114-2116	TOOLS & OWE	\$8,540,521	14.50	1238376	0	1238376
2121	BUILDINGS	\$67,784,048	4.10	2779146	0	2779146
2122	FURNITURE	\$887,372	13.50	119795	0	119795
2123	OFFICE EQPT	\$852,522	7.30	62234	0	62234
2124	COMPUTERS	\$1,613,430	21.40	345274	0	345274
2211	COE ANALOG	\$119,651	0.00	0	84826	84826
2212	COE DIGITAL	\$160,399,657	8.50	13633971	0	13633971
2215	COE CROSSBAR	\$21,864	0.00	0	26457	26457
2220(577)	COE OP SYS-OTH	\$829,700	0.00	0	324154	324154
2220(677)	COE OP SYS-OSPS	\$4,391,826	14.50	636815	0	636815
2231(167)	COE RADIO-ANALOG	\$29,030,021	0.00	0	11010398	11010398
2231(67)	COE RADIO-DIGITAL	\$14,363,135	29.2	4194035	0	4194035
2232(357)	COE CIR-DIGITAL	\$82,952,253	18.50	15346167	0	15346167
2232(57)	COE CIR-ANALOG	\$46,297,129	0.00	0	19505822	19505822
2351	PUB TEL TERM EQ	\$4,280,186	12.50	535023	0	535023
2362	OTHER TERM EQ	\$44,415	1.00	444	0	444
2411	POLES	\$18,279	14.40	2632	0	2632
2421(2)	AERIAL CABLE-M	\$126,285	72.90	92062	0	92062
2422(5)	UNDERGROUND CABLE-M	\$9,779,342	0.00	0	6626329	6626329
2422(85)	UNDERGROUND CABLE-NM	\$26,121,326	5.8	1515037	0	1515037
2423(45)	BURIED CABLE-M	\$6,699,066	0.00	0	1621470	1621470
2423(845)	BURIED CABLE-NM	\$1,413,148	5	70657	0	70657
2424(146)	SUBMARINE CABLE-M	\$462,151	0.00	0	34917	34917
2424(846)	SUBMARINE CABLE-NM	\$411,645	4.8	19759	0	19759
2441	CONDUIT SYSTEM	\$31,336,122	2.30	720731	0	720731
	TOTAL	\$499,130,005		41301866	39234373	80536239