

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Branch
Commission Advisory & Compliance Division

RESOLUTION T-14863
March 31, 1992

R E S O L U T I O N

**RESOLUTION T-14863. ROSEVILLE TELEPHONE COMPANY
(U-1015-C). REPRESCRIPTION OF STRAIGHT-LINE
REMAINING LIFE DEPRECIATION RATES FOR ALL
TELEPHONE PLANT.**

SUMMARY

By letter dated December 14, 1991, to the Division of Ratepayer Advocates (DRA), Roseville Telephone Company (Roseville) proposed represcription of its depreciation rates for all telephone plant. Based on review for reasonableness, DRA reached an agreement with Roseville concerning appropriate depreciation rates. Following notification and a comment period for interested parties, the California Public Utilities Commission authorizes the straight-line remaining life depreciation rates for all telephone plant for Roseville as set forth in Table A (attached) for 1991 and subsequent years.

BACKGROUND

Roseville's December 14, 1991, letter to DRA proposed represcription[1] of the depreciation rates for all telephone

[1] Represcription 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.

plant. Roseville requested reduction of service lives of its central office and outside plant accounts.

NOTICE/PROTESTS

In accordance with the procedures for depreciation reviews adopted by the Commission on September 13, 1977, the DRA Depreciation Group gave notice of the proposed depreciation rates to interested parties by letter dated January 17, 1992.

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

DISCUSSION

After reviewing Roseville's projected replacement and retirement schedules and current investment in modern plant equipment, DRA recommended depreciation parameters which result in the proposed depreciation rates shown in Table A and Roseville concurred. Roseville depreciation rates were last represeted in 1988 by Resolution No. T-13053.

The proposed rates result in an estimated annual increase in depreciation accrual of \$805,475 based on January 1, 1991, plant investment of \$153 million. Acceptance of Roseville's depreciation rates for accounting purposes is not a finding of reasonableness of the resulting accrual, depreciation reserve balance, or net plant investment for ratemaking purposes. These amounts for each class of plant are normally reviewed in general rate cases.

FINDINGS

1. The depreciation rates set forth in Table A are reasonable for accounting purposes.
2. No finding is made concerning the reasonableness for ratemaking of Roseville's resulting depreciation accruals, or the resulting depreciation reserve balances or net plant investment.

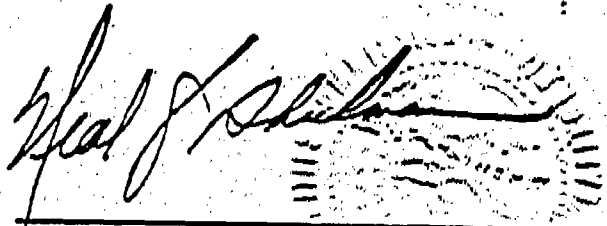
THEREFORE IT IS ORDERED that:

1. Authority is granted to make the depreciation rates shown in Table A of this Resolution effective for accounting purposes for calendar year 1991 and subsequent years until revised by this Commission.

The effective date of this Resolution is today

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I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 31, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
JOHN B. O'BRIEN
PATRICIA M. ECKERT
NORMAN D. HUMWAY
Commissioners

TABLE A

ROSEVILLE TELEPHONE COMPANY
Annual Depreciation Accruals

AT 1991 AUTHORIZED RATES

ACCOUNT NUMBER	DESCRIPTION	GROSS PLANT 01/01/91	RATE	PROPOSED ACCRUAL
			%	(1)X(2)
		(1)	(2)	(3)
2112.00	Motor Vehicles	2297366	9.34%	214574
2115.00	Garage Work Equipment	122854	7.38%	9067
2116.00	Other Work Equipment	1550772	7.71%	119565
2121.00	Buildings	26025289	2.98%	775554
2122.00	Furniture	3412424	6.18%	210888
2123.01	Off. Eq. -Other/Data Handling	775748	12.68%	98365
2123.02	Off. Eq. -Official Company Phones	635348	19.25%	122305
2124.00	General Purpose Computers	4070970	19.30%	785697
2211.02	Analog Electronic Switch	0	0.00%	0
2212.01	Digital Elec. Switch-COE CAT 2	3131911	13.95%	436902
2212.02	Digital Elec. Switch-COE CAT 3	36380307	7.79%	2834026
2220.00	Operator Systems	2680387	23.60%	632571
2231.01	Radio Systems -Analog	195957	14.46%	28335
2232.01	Circuit Equipment -Analog	3079296	12.15%	374134
2232.01	Circuit Equipment -Digital	5406270	9.87%	533599
2351.00	Paystations	506974	7.63%	38682
2362.00	Other Terminal Equip.	86756	13.62%	11816
2411.00	Pole Lines	907587	9.61%	87219
2411.00	Pole Lines - Joint	718527	8.63%	62009
2421.01	Aerial Cable -Metallic	9787766	5.85%	572584
2421.02	Aerial Cable -Nonmetallic	67387	4.22%	2844
2422.01	Underground Cable-Metallic	14852410	5.09%	755988
2422.02	Underground Cable -Nonmetallic	1080264	3.90%	42130
2423.01	Buried Cable-Metallic	12233997	4.41%	539519
2423.02	Buried Cable -Nonmetallic	51249	2.95%	1512
2426.01	Intrabldg Network Cable-Metallic	138851	4.42%	6137
2431.00	Aerial Wire	124022	17.65%	21890
2441.00	Conduit Systems	22636131	2.28%	516104
	TOTAL	\$152,956,823		\$9,834,015