

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Branch
Commission Advisory and Compliance Division

RESOLUTION T-15176
December 16, 1992

R E S O L U T I O N

RESOLUTION T-15176. WINTERHAVEN TELEPHONE COMPANY (U-1021-C). REDESCRIPTION OF 1992 STRAIGHT-LINE REMAINING LIFE DEPRECIATION RATES FOR ALL TELEPHONE PLANT.

BY LETTER TO THE COMMISSION ADVISORY AND COMPLIANCE DIVISION OF SEPTEMBER 9, 1992.

SUMMARY

By letter of September 9, 1992 to the Commission Advisory and Compliance Division (CACD), Winterhaven Telephone Company (Winterhaven) proposed rescription of its 1992 depreciation rates for all telephone plant. This Resolution authorizes the 1992 straight-line remaining life depreciation rates for all telephone plant for Winterhaven as set forth in Tables A and B (attached).

BACKGROUND

Winterhaven's September 9, 1992, letter to CACD proposed rescription [1] of the depreciation rates for all telephone plant. On September 24, 1992, Winterhaven submitted copies of its proposed depreciation rates to Pacific Bell, AT&T Communications of California, and the Division of Ratepayer Advocates. No comments have been received on Winterhaven's proposed depreciation rates. Winterhaven's depreciation rates were last rescribed in 1989 by Resolution T-13081.

[1] 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.

December 16, 1992

DISCUSSION

CACD has reviewed the depreciation rates and recommends the Commission approve them for accounting purposes. The proposed 1992 rates result in an estimated annual increase in depreciation accrual of \$199,649. This estimate is based on December 31, 1991, plant investment of \$4.4 million.

Acceptance of Winterhaven's depreciation rates is for accounting purposes only and 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

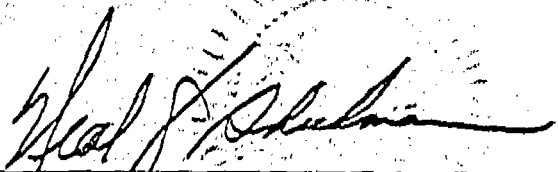
1. The depreciation rates set forth in Tables A and B are reasonable for accounting purposes.
2. No finding is made concerning the reasonableness for ratemaking of Winterhaven's depreciation accruals, or the resulting depreciation reserve balances or net plant investment.

THEREFORE, IT IS ORDERED that:

Authority is granted Winterhaven Telephone Company to make the depreciation rate revisions shown in Tables A and B of this Resolution effective for calendar year 1992 and subsequent years until revised by this Commission.

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 December 16, 1992. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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

UTILITY: WINTERHAVEN TELEPHONE COMPANY

ANNUAL DEPRECIATION ACCRUAL AND RATE DETERMINATION
STRAIGHT LINE REMAINING LIFE METHOD

FORM - D2

LOCATION: Winterhaven, California

January 1, 1992

FILE NO. 581

ACCT. NO.	DESCRIPTIONS	(1) GROSS PLANT	(A) NET SALVAGE %	(2) AMOUNT	(3) DEPRECIATION RESERVE	(4) NET BALANCE	(B) AVERAGE SERVICE LIFE	(5) REMAINING LIFE	(6) ANNUAL ACCRUAL	(D) % OF GROSS PLANT
21120	VEHICLES	59,640	5%	2,982	4,531	52,127	7	4.92	10,595	17.76%
21160	WORK EQUIPMENT	11,550		0	4,352	7,198	15	13.10	549	4.76%
21210	BUILDINGS	224,438		0	27,602	196,836	30	26.50	7,428	3.31%
21220	FURNITURE	3,922		0	308	3,614	15	14.25	254	6.47%
21231	OFFICE EQUIPMENT	6,230		0	2,087	4,143	7	3.97	1,044	16.75%
21232	CO COMM EQUIP	3,894		0	224	3,670	7	6.50	565	14.50%
21240	COMPUTERS	73,200		0	7,390	65,810	5	3.70	17,786	24.30%
22120	COE - DIGITAL	577,307		0	68,170	509,137	15	12.50	40,731	7.05%
22321	COE - CIRCUIT	323,588		0	58,243	265,345	10	4.20	63,177	19.52%
23510	PUBLIC TELEPHONE EQUIP.	42,749		0	19,101	23,648	7	3.13	7,555	17.67%
24110	POLE LINES	18,487		(10,000)	0	28,487	25	5.11	5,575	30.16%
24211	AERIAL CABLE	167,981		(39,000)	341	206,640	25	4.40	46,964	27.96%
24221	UNDERGROUND CABLE	288,563		0	0	288,563	25	22.77	12,673	4.39%
24231	BURIED CABLE	1,927,168		0	(1,446)	1,928,614	25	20.33	94,865	4.92%
24310	AERIAL WIRE	3,927		(1,000)	1,582	3,345	15	2.50	1,338	34.07%
24410	UNDERGROUND CONDUIT	664,569		0	44,875	619,694	25	20.67	29,980	4.51%
		<u>4,397,213</u>		<u>(47,018)</u>	<u>237,360</u>	<u>4,206,871</u>			<u>341,079</u>	<u>7.76%</u>

WINTERHAVEN TELEPHONE COMPANY
1992 Depreciation Study Comparison

ACCT. NO.	DESCRIPTIONS	GROSS PLANT	%	PRESENT AMOUNT	%	PROPOSED AMOUNT	%	CHANGE AMOUNT
21120	VEHICLES	59,640	8.70%	5,189	17.76%	10,592	9.06%	5,403
21160	WORK EQUIPMENT	11,550	9.20%	1,063	4.76%	550	-4.44%	(513)
21210	BUILDINGS	224,438	3.80%	8,529	3.31%	7,429	-0.49%	(1,100)
21220	FURNITURE	3,922	6.30%	247	6.47%	254	0.17%	7
21231	OFFICE EQUIPMENT	6,230	6.30%	392	16.75%	1,044	10.45%	651
21232	CO COMM EQUIP	3,894	0.00%	0	14.50%	565	14.50%	565
21240	COMPUTERS	73,200	12.50%	9,150	24.30%	17,788	11.80%	8,638
22120	COE - DIGITAL	577,307	4.90%	28,288	7.05%	40,700	6.75%	12,412
22321	COE - CIRCUIT	323,588	4.90%	15,856	19.52%	63,164	14.62%	47,309
23310	PUBLIC TELEPHONE EQUIP.	42,749	2.80%	1,197	17.67%	7,554	14.87%	6,357
24110	POLE LINES	18,487	1.40%	259	30.16%	5,576	28.76%	5,317
24210	AERIAL CABLE	167,981	2.40%	4,032	27.96%	46,967	25.56%	42,936
24220	UNDERGROUND CABLE	288,563	2.50%	7,214	4.39%	12,668	1.89%	5,454
24230	BURIED CABLE	1,927,168	2.30%	44,325	4.92%	94,817	2.62%	50,492
24310	AERIAL WIRE	3,927	7.70%	302	34.07%	1,338	26.37%	1,036
24410	UNDERGROUND CONDUIT	664,569	2.30%	15,285	4.51%	29,972	2.21%	14,687
		<u>4,397,213</u>	<u>3.21%</u>	<u>141,327</u>	<u>7.75%</u>	<u>340,976</u>	<u>4.54%</u>	<u>199,649</u>