

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of ) Application No. C-1038  
The Lincoln Telephone and Telegraph )  
Company for authority to adjust ) GRANTED  
depreciation rates on classes of )  
equipment. ) Entered: March 16, 1994

APPEARANCES: For the Applicant  
Paul M. Schudel, Attorney  
1500 American Charter Center  
206 South 13th Street  
Lincoln, Nebraska 68508

By its application filed November 10, 1993, The Lincoln Telephone and Telegraph Company, Lincoln, Nebraska, seeks authority to adjust depreciation rates for classes of its telecommunications equipment.

Notice of the filing of the application was published pursuant to the provisions of the Commission's Rules and Regulations. No protests or petitions to intervene were filed, and thus this application may be processed administratively pursuant to the Commission's Rules.

OPINION AND FINDINGS

BY THE COMMISSION:

Upon consideration of the application, and the information presented to the Commission staff by applicant, and being fully advised, the Commission is of the opinion and finds that:

1. The applicant is a corporation domesticated under the laws of the state of Nebraska with its principal offices located in Lincoln, Nebraska. Applicant is a common carrier furnishing general communications services for hire in 137 exchanges in southeastern Nebraska under the jurisdiction of this Commission.

2. The books and records of the applicant, including statements of the costs of property and of operating revenues and operating expenses covering its communications property and services are maintained in accordance with the accounting rules and regulations of the FCC as adopted in Chapter V, Section 002.24 of this Commission's Rules and Regulations.

3. This application is submitted in accordance with the Commission's Order entered in Application No. C-664 on April 14, 1987, which requires a depreciation rate review of this applicant by the Commission on a triennial basis beginning in 1987.

4. Applicant's proposed depreciation rates, based upon December 31, 1992 book balances, would increase annual depreciation expense by \$3,802,000.

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5. No additional revenues are being requested by applicant in connection with this application for approval of revised depreciation rates.

6. The Commission staff met on two separate occasions with LT&T representatives to review the depreciation study filed with the application.

7. On February 28, 1994, Maurice Gene Hand, Director of Telecommunications for the Commission, received a letter from William J. Ashburn, Industry Relations Manager for LT&T, stating that the company was in agreement with the adjusted proposed depreciation rates on Exhibit 1A.

8. The depreciation rates proposed on Exhibit 1A, based upon December 31, 1992 book balances, would increase annual depreciation expense by \$2,738,000.

9. Based upon the information which applicant has presented to the Commission staff and the independent analysis thereof which has been performed by the staff, the Commission finds that the depreciation rates set forth in the column entitled "Adjusted R.L. Depr. Rate" of Exhibit 1A attached hereto are fair and reasonable, are supported by the evidence and are hereby approved.

10. The application is fair and reasonable, is in the public interest and should be granted as set forth above.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1038 is hereby granted and that applicant, The Lincoln Telephone and Telegraph Company, is hereby authorized to revise its depreciation rates for its classes of equipment as set forth in paragraph 9 hereinabove effective January 1, 1994.

MADE AND ENTERED at Lincoln, Nebraska, this 16th day of March, 1994

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Daniel G. Kuvell*  
*Duane D. Gay*  
//s//Rod Johnson  
//s//Frank E. Landis, Jr.

*James J. ...*  
Chairman

ATTEST:

*Dwight ...*  
Executive Director

LT&T PARAMETER TABLE FOR APPLICATION C-1038

(per records as of Dec. 31, 1992)

DESCRIPTION (a)	CURRENT						ADJUSTED					
	PLANT ACCT.	INVESTMENT 12/31/92	RESERVE BAL 12/31/92	RESERVE RATIO	DEPR. RATE	ANNUAL ACCRUALS	R.L. DEPR. RATE	ASL	RL	% FNS	ANNUAL ACCRUALS	DIFF. (pro. - act.)
	(b)	(c) (\$)	(d) (\$)	(e)	(f)	(g) (\$000)	(h)	(i)	(j)	(k)	(l) (\$000)	(m) (\$000)
1 Motor Vehicles	2112.00	6,008,521	2,482,059	0.4131	7.47%	449	8.00%	10.00	5.65	13.50	481	32
2 Garage Work Equipment	2115.00	243,836	55,339	0.2270	5.82%	14	6.98%	15.00	11.08	0.00	17	3
3 Other Work Equipment	2116.XX	3,181,012	1,200,086	0.3773	5.02%	160	5.13%	15.00	10.19	10.00	163	3
4 Buildings	2121.00	24,860,288	9,823,246	0.3951	2.90%	721	3.13%	32.78	18.83	2.00	777	56
5 Furniture	2122.00	476,914	238,674	0.5005	5.21%	25	4.42%	17.28	10.18	5.00	21	(4)
6 Office Equipment	2123.XX	3,553,324	2,285,059	0.6431	7.82%	278	11.25%	8.30	3.00	2.00	400	122
7 Elec. Ofc. Eq. (Terms, PCs, WPs)	2124.XX	2,033,514	1,104,972	0.5434	12.54%	255	18.00%	6.12	2.54	0.00	366	111
8 Computers	2124.XX	8,157,683	6,454,710	0.7912	9.91%	808	6.85%	N/A	1.44	0.00	559	(250)
9												
10 C.O. Switching - Digital	2212.XX	123,568,267	46,238,052	0.3742	7.00%	8,650	7.50%	13.91	8.35	0.00	9,273	624
11 Operator Systems - SL-1 & Other	2220.XX	3,423,675	1,936,195	0.5655	9.78%	335	9.83%	N/A	4.11	3.00	337	2
12 C.O.T. Radio - Mobile & Paging	2231.XX	2,755,250	1,776,357	0.6447	8.00%	220	9.98%	8.20	3.16	4.00	275	54
13 C.O.T. - Circuit Equipment	2232.XX	31,428,498	15,363,322	0.4888	5.95%	1,870	7.23%	10.34	6.52	4.00	2,271	401
14 C.O.T. - Circuit Eq. CP Network Term.	2232.30	1,565,344	1,168,107	0.7462	2.00%	31	5.11%	11.40	4.97	0.00	80	49
15												
16 Public Telephone Equipment	2351.XX	1,989,053	1,481,860	0.7450	3.53%	70	4.76%	12.30	4.31	5.00	95	24
17												
18 Poles	2411.00	9,688,395	6,868,018	0.7089	11.26%	1,091	11.03%	18.05	9.89	(80.00)	1,069	(22)
19 Towers	2412.00	653,373	292,658	0.4479	3.55%	23	5.08%	17.87	12.45	(8.00)	33	10
20 Aerial Cable (Metallic & Drop)	2421.XX	30,957,771	17,416,322	0.5626	6.86%	2,124	7.86%	17.00	8.11	(20.00)	2,433	309
21 Aerial Cable (Fiber Optic)	2421.XX	1,310,546	240,874	0.1838	4.37%	57	4.45%	25.00	21.71	(15.00)	58	1
22 U.G. Cable (Metallic)	2422.XX	23,196,470	9,687,429	0.4176	4.68%	1,086	7.43%	22.00	10.53	(20.00)	1,723	638
23 U.G. Cable (Fiber Optic)	2422.XX	2,112,438	317,892	0.1505	3.88%	82	4.19%	28.00	25.05	(20.00)	89	7
24 Buried Cable (Metallic & Drop)	2423.XX	95,009,997	41,961,231	0.4417	5.54%	5,264	6.07%	20.00	10.03	(5.00)	5,763	499
25 Buried Cable (Fiber Optic)	2423.XX	16,661,918	2,134,504	0.1281	4.07%	678	4.18%	25.00	22.07	(5.00)	696	18
26 Intra-building Cable	2426.10	1,334,700	748,725	0.5610	4.32%	58	7.88%	17.00	8.11	(20.00)	105	48
27 Conduit Systems	2441.00	14,093,063	4,113,789	0.2919	2.29%	323	2.30%	49.96	37.11	(15.00)	324	1
28 SUB-TOTAL		408,263,850	175,389,480	0.4296	6.04%	24,671	6.71%				27,408	2,738
AMORTIZATION												
29 ITEMS \$200 - \$499 FCC DOCKET 87-135		797,547	352,173	0.4416	AMORT.	89	AMORT.	N/A	4.00		89	0
30 LEASEHOLD IMPROVEMENTS	2682.00	453,795	185,889	0.4096	AMORT.	68	AMORT.	N/A			68	0
31 AERIAL WIRE	2431.00	221,897	221,897	1.0000	0	0	0.00%				0	0
32 GRAND TOTAL		409,737,089	176,149,439	0.4299	6.06%	24,828	6.73%				27,565	2,738

EXHIBIT 1A

Comparison of CURRENT & LT&T ADJUSTED Remaining Life Depreciation Rate Accruals

(per records as of Dec. 31, 1992)

	DESCRIPTION	CURRENT					ADJUSTED			
		PLANT ACCT.	INVESTMENT 12/31/92	RESERVE BAL 12/31/92	RESERVE RATIO	DEPR. RATE	ANNUAL ACCRUALS	R.L. DEPR. RATE	ANNUAL ACCRUALS	DIFF.
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		(\$)	(\$)			(\$000)		(\$000)	(\$000)	(pro. - act.)
1	Motor Vehicles	2112.00	6,008,521	2,482,059	0.4131	7.47%	449	8.00%	481	32
2	Garage Work Equipment	2115.00	243,836	55,339	0.2270	5.82%	14	6.98%	17	3
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17										
18	Poles	2411.00	9,688,395	6,868,018	0.7089	11.26%	1,091	11.03%	1,069	(22)
19	Towers	2412.00	653,373	292,658	0.4479	3.55%	23	5.08%	33	10
20	Aerial Cable (Metallic & Drop)	2421.XX	30,957,771	17,416,322	0.5626	6.86%	2,124	7.86%	2,433	309
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23	U.G. Cable (Fiber Optic)	2422.XX	2,112,438	317,892	0.1505	3.88%	82	4.19%	89	7
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27	Conduit Systems	2441.00	14,093,063	4,113,789	0.2919	2.29%	323	2.30%	324	1
28	<b>SUB-TOTAL</b>		<b>408,263,860</b>	<b>175,389,480</b>	<b>0.4296</b>	<b>6.04%</b>	<b>24,671</b>	<b>6.71%</b>	<b>27,408</b>	<b>2,738</b>
<b>AMORTIZATION</b>										
29	ITEMS \$200 - \$499 FCC DOCKET 87-135		797,547	352,173	0.4416	AMORT.	89	AMORT	89	0
30	LEASEHOLD IMPROVEMENTS	2682.00	453,795	185,889	0.4096	AMORT.	68	AMORT	68	0
31	AERIAL WIRE	2431.00	221,897	221,897	1.0000	0	0	0.00%	0	0
32	<b>GRAND TOTAL</b>		<b>409,737,089</b>	<b>176,149,439</b>	<b>0.4299</b>	<b>6.06%</b>	<b>24,828</b>	<b>6.73%</b>	<b>27,565</b>	<b>2,738</b>