

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of ) Application No. C-1045  
United Telephone Company of the )  
West, Overland Park, Kansas, seeking ) GRANTED  
authority to revise depreciation )  
rates. ) Entered: May 3, 1994

APPEARANCES: For the Applicant  
Thomas A. Grimaldi, Senior Attorney  
5454 West 110th Street  
Overland Park, Kansas 66211

By its application filed December 30, 1993, United Telephone Company of the West (United), Overland Park, Kansas, seeks authority to revise 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 organized and existing under the laws of the state of Delaware. Applicant is a common carrier furnishing general communications services for hire within the state of Nebraska and is subject to 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 expenses by \$242,459.

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

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

6. The Commission staff met with United representatives to review the depreciation study filed with the application.

7. On April 5, 1994, Gene Hand, Director of Telecommunications for the Commission, received a letter from Karl Melton, Capital Recovery-Forecasting Manager for United, stating that, subsequent to meeting on March 24, 1994 in Overland Park, Kansas, the company was in agreement with the adjusted proposed depreciation rates on Exhibit A.

8. The depreciation rates proposed on Exhibit A, based upon December 31, 1992 book balances, would increase annual depreciation expenses by \$124,031.

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 "Accrual Rate" of Exhibit A 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-1045 is hereby granted and that applicant, United Telephone Company of the West, 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 3rd day of May, 1994.

COMMISSIONERS CONCURRING:

*Daniel G. Kuvilla*  
*Duane D. Gay*

//s//Rod Johnson  
//s//Frank E. Landis, Jr.  
//s//James F. Munnelly

NEBRASKA PUBLIC SERVICE COMMISSION

*Arthur J. Sweeney*  
Chairman

ATTEST:

*James R. King*  
Executive Director

UNITED TELEPHONE OF THE WEST  
 SCHEDULE OF PRESENT AND PROPOSED DEPRECIATION RATES  
 FULLY EMBEDDED ELG LIFE GROUP WEIGHTING, REMAINING LIFE METHODOLOGY  
 DECEMBER 31, 1992

Nebraska Docket No. C-1045  
 Wyoming Docket No. 7009-TA-93-20

Exhibit A  
 26-Mar-94

Account Number	Account Name	12/31/92 Investment	12/31/92 Reserve	1993		Study Method	ASL	Remain. Upon		Nebraska & Wyoming		Proposed Account	Change In Account
				Retain. S.T. Amount	% Reserve			Life	Net Salv. %	Accrual Date	Account		
1	2112.10 Vehicles - Passenger Cars	22,624	13,418			R2	8.30	2.80	8.0	11.68	2,642	(1,511)	
2	2112.20 Vehicles - Light Trucks	599,704	199,491			R3	6.80	4.10	12.0	13.35	80,060	29,970	
3	2112.30 Vehicles - Heavy Trucks	353,528	137,656			L3	9.50	5.60	18.0	7.69	27,186	13,709	
4	2116.10 Other Work Equipment	703,177	196,143			S1	10.40	8.00	5.0	8.39	58,997	13,561	
5	2116.10 Other Work Equipment < \$500	5,965	1,498			Amort	8.00	4.00	0.0	12.83	1,154	0	
6	2121.10 Buildings	2,391,120	747,446			SQ	25.60	11.10	4.0	5.83	139,402	69,637	
7	2121.30 Buildings - Equipment	467,358	263,855			SQ	8.00	4.30	0.0	10.13	47,343	(7,945)	
8	2121.40 Buildings - Ant. Suppl's & Twrs	154,564	94,339			SQ	25.00	7.80	0.0	5.00	7,728	(4,189)	
9	2122.10 Furniture	47,804	(433)	17,304	35.29	R1	11.10	4.10	5.0	14.56	6,960	3,146	
10	2122.10 Furniture < \$500	26,870	16,125		60.01	Amort	8.00	4.00	0.0	6.63	2,656	0	
11	2123.10 Office Equipment Support	22,740	(3,439)	12,658	40.54	S2	9.20	4.00	2.0	14.37	3,268	2,892	
12	2123.10 Office Equipment Support < \$500	4,158	1,980		47.62	Amort	8.00	4.00	0.0	8.67	540	0	
13	2123.20 Office Equipment - Company Comm.	383,423	264,315		68.94	R1	11.30	4.50	0.0	6.90	26,456	1,333	
14	2124.20 G.P. Comput.-PC's & CRT's	344,377	224,684		65.24	R1	7.83	4.10	0.0	8.48	29,203	8,836	
15	2212.10 COE - Digital Electronic Switching	11,137,789	4,903,323		44.02	SQ	14.00	7.60	-1.0	7.50	835,334	98,816	
16	2212.10 COE - Digital Electronic Processors	503,708	221,732		44.02	Amort	-	3.00	-		93,992	60,697	
17	2212.60 COE - Digital Electronic Switching-AMR	146,026	93,397		63.96	SQ	9.70	5.10	-4.0	7.85	11,463	(3,895)	
18	2215.10 COE - Step-By-Step Switching	1,047,602	1,006,662	(13,247)	94.83	SQ	11.80	4.70	-1.0	1.31	13,724	(17,634)	
19	2215.20 COE - Crossbar Switching	1,232,446	1,195,946	(17,106)	95.65	SQ	10.30	2.70	-3.0	2.72	33,523	21,212	
20	2215.60 COE - Step-By-Step Switching, AMR	40,011	45,361	(5,022)	100.82	SQ	12.20	4.90	-3.0	0.44	176	(271)	
21	2215.70 COE - Crossbar Switching, AMR	39,706	48,196	(10,617)	94.64	SQ	8.70	2.20	-3.0	3.80	1,509	1,302	
22	2231.30 COE - Other Radio	2,213,913	1,042,309		47.08	SQ	13.20	7.70	0.0	6.87	152,096	(371,273)	
23	2231.20 COE - Mobile Radio	2,008	2,852	(804)	101.99	SQ	0.00	0.00	0.0	0.00	(40)	(40)	
24	2232.10 COE - Circuit Equipment - Analog	696,618	696,841		100.03	S3	8.10	2.70	-6.0	2.21	15,395	(47,997)	
25	2232.20 COE - Circuit Equipment - Digital	2,295,099	870,716		37.94	L3	9.20	5.70	0.0	10.89	249,936	41,082	
26	2232.30 COE - Circuit Equipment - Digital Fiber Opt.	872,935	246,702		28.26	S1	8.80	5.80	3.0	11.85	103,443	24,006	
27	2232.40 COE - Circuit Equipment - Analog P/G	2,244,972	1,610,676		71.75	R3	8.30	3.00	-6.0	11.42	256,376	52,083	
28	2232.50 COE - Circuit Equipment - Digital P/G	812,583	114,014		14.03	R4	9.50	7.80	0.0	11.02	89,547	15,602	
29	2351.10 Public Telephones	192,873	129,016	(30,820)	50.91	L0	9.10	2.70	5.0	16.33	31,496	29,112	
30	2362.10 Other Terminal Equipment - Sub. Mix	199,785	142,314		71.23	R2	8.90	3.40	0.0	8.46	16,902	(1,676)	
31	2362.20 Other Terminal Equipment - LN Cond.	270,354	186,181		68.87	S2	9.00	3.20	0.0	9.73	26,305	1,108	
32	2362.30 Other Terminal Equipment - 911	159,264	4,147		2.60	Judg	8.00	7.00	0.0	13.91	22,154	2,246	
33	2411.10 Poles & Special Structures	971,899	1,301,145		133.88	L2	20.10	6.70	-45.0	1.66	16,134	(27,041)	
34	2421.10 Aerial Cable / Drop - Metallic	4,170,795	2,868,193		68.77	L3	18.90	8.30	-30.0	8.40	350,347	151	

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26 - Mar -84

Account Number	Account Name	12/31/82		1983 Remain. 3 Yr. Amort	% Base on Basis	Study Method	Agreed Upon ASE	Remain. Life	Net Salv. %	Accrual Rate	Prepared Accrual	Change in Accrual
		Investment	Reserve									
2421.10	Aerial Cable - Metallic, TDP*	79,332	54,557		68.77	Amort	-	3.00	-	33.33	8,258	1,597
2421.20	Aerial Cable - Nonmetallic	20,706	4,669		22.55	L3	22.20	19.30	-25.0	5.31	1,099	233
2422.10	Underground Cable - Metallic	751,021	414,890		55.24	L2	28.20	13.60	-20.0	4.76	35,749	(129)
2422.20	Underground Cable - Nonmetallic	11,784	2,465		20.92	L2	23.00	18.00	-20.0	5.50	648	179
2423.10	Buried Cable / Drop - Metallic	16,715,719	6,769,807		40.50	L2	21.20	11.20	-5.0	5.76	962,825	63,046
2423.10	Buried Cable - Metallic, TDP *	234,795	95,092		40.50	Amort	-	3.00	-	33.33	46,568	33,929
2423.20	Buried Cable - Nonmetallic	1,517,675	188,144		12.40	L3	20.50	17.20	-5.0	5.38	81,651	15,734
2426.10	Intrabuilding Cable - Metallic	3,325	461		13.86	L3	10.00	7.00	-5.0	13.02	433	198
2431.10	Aerial Wire	116,228	237,862	(72,967)	141.87	L3	15.50	1.70	-45.0	1.84	2,139	1,995
2441.10	Conduit	255,070	143,316		56.19	R5	54.10	32.20	-15.0	1.83	4,668	225
	Totals	54,483,453	26,798,064	(120,621)	48.96					7.15%	3,897,445	124,031

\* TDP - Technology Displaced Plant