BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of United Telephone Company of the West d/b/a Embarq, Overland Park, Kansas, seeking authority to revise its depreciation rates.	)))))	Application No. C-3990 GRANTED Entered: January 13, 2009

BY THE COMMISSION:

By application filed November 21, 2008, United Telephone Company of the West d/b/a Embarq, Overland, Kansas, seeks authority to revise depreciation rates. Notice of the application was published in The Daily Record, Omaha, Nebraska, on November 27, 2008. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

Applicant submits the present application in accordance with the Commission's order of April 14, 1987, in Docket C-664. Pursuant to that order, Applicant is subject to a depreciation rate review on a triennial basis.

Applicant has submitted revised depreciation rates in accordance with its triennial obligations. The revised rates will decrease annual depreciation costs by $1,038,063.00 and will more closely correlate accrual rates with capital asset consumption. A summary of the revised rates is attached to this order as Exhibit A.

Based on the evidence presented, the Commission finds the application is fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3990 be, and it is hereby, granted and United Telephone Company of the West d/b/a Embarq, is hereby authorized to revise its depreciation rates as reflected in Exhibit A, attached to and, hereby, made a part of this order.

IT IS FURTHER ORDERED that the revised depreciation rates be effective beginning January 1, 2009.

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MADE AND ENTERED at Lincoln, Nebraska, this 13th day of January, 2009.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

//s// Frank E. Landis

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EXHIBIT A

RECEIVED
NOV 21
PSC-Comm. Dept.

UNITED TELEPHONE COMPANY OF THE WEST-NEBRASKA
STATEMENT A

SUMMARY OF DEPRECIATION RATES
ALL VINTAGE RECOVERY

		RATES IN EFFECT 12-31-07					PROPOSED RATES EFF. 1/1/09			
ACCOUNT NUMBER	CLASS or SUBCLASS of PLANT	AVG REM. LIFE (YRS.)	12/31/2004 RESERVE %	FUTURE NET SALVAGE %	RATE	AMORT	AVG REM. LIFE (YRS.)	1/1/2008 RESERVE %	FUTURE NET SALVAGE %	RATE
		(A)	(B)	(C)	(D) = (100-B-C)/A	(E)	(E)	(F)	(G)	(H) = (100-F-G)/E
2112.1	Passenger Cars	1.4	0.0	10.0	64.30	-	5.5	0.0	10.0	16.40
2112.2	Light Trucks	3.1	69.7	13.0	5.60	-	1.6	49.7	13.0	23.30
2112.3	Heavy Trucks	5.8	37.9	12.0	8.60	-	5.1	54.1	12.0	6.60
2116.1	Other Work Equipment	4.8	71.9	10.0	3.80	-	3.5	37.9	10.0	14.90
2121.1	Buildings	15.3	65.0	-10.0	2.90	-	13.4	73.2	-10.0	2.70
2121.3	Buildings Equipment	3.4	95.0	-25.0	8.80	-	3.3	96.4	-25.0	8.70
2121.4	Buildings Towers	4.6	104.7	-60.0	12.00	-	3.7	140.7	-60.0	5.20
2122.1	Furniture	4.4	97.5	5.0 #	0.00	-	7.0	95.0	5.0 #	0.00
2123.1	Office Support Equipment	1.1	18.1	0.0	74.50	-	5.0	0.0	0.0	20.00
2123.2	Office Equipment-Co. Communications	1.8	30.4	0.0	38.70	-	7.0	100.0	0.0 #	0.00
2124.2	General Purpose Computers	3.0	42.5	0.0	19.20	-	5.0	0.0	0.0	20.00
2212.1	Digital Electronic Switching	1.5	100.0	0.0	0.00	-	6.4	100.0	0.0 @	0.00
2212.8	Switching Generic Software	2.0	61.5	0.0 #	0.00	-	2.0	33.2	0.0 *	25.00
2213.1	Packet Switching - Call Server	7.0	0.0	0.0 *	14.30	-	5.3	51.2	0.0	9.20
2213.2	Packet Switching - ATM	5.5	17.1	0.0 *	16.70	-	4.2	27.4	0.0	17.30
2213.3	Packet Switching - Trunk Gateway	6.0	0.0	0.0 *	16.70	-	6.4	29.7	0.0	11.00
2213.4	Packet Switching - Line Gateway	10.0	0.0	0.0 *	10.00	-	5.6	37.8	0.0	11.10
2213.8	Packet Switching Software	4.0	0.0	0.0 *	25.00	-	4.0	30.5	0.0 *	25.00
2213.9	Packet Switching - IP Circuit	6.0	0.0	0.0 *	16.70	-	9.0	5.9	0.0	10.50
2231	Radio	3.4	104.0	-4.0	0.00	-	0.6	94.9	-4.0	15.20
2232.1	Circuit-Analog	3.0	100.0	0.0 #	0.00	-	1.7	100.0	0.0 #	0.00
2232.2	Circuit-Digital	3.2	87.9	0.0	3.80	-	6.3	81.8	0.0	2.90
2232.3	Circuit-Digital Fiber	3.3	61.3	0.0	11.70	-	7.9	59.3	0.0	5.20
2232.4	Circuit-Analog PG	0.9	103.0	-3.0 #	0.00	-	0.6	103.0	-3.0 #	0.00
2232.5	Circuit-Digital PG	2.8	65.3	0.0	12.40	-	5.4	92.8	0.0	1.30
2232.9	DSLAM Equipment	7.5	16.5	0.0 *	12.50	-	8.6	28.2	0.0	8.30
2362.1	Subscriber Multiplex	3.2	100.0	0.0 #	0.00	-	4.9	47.8	0.0	10.70
2362.2	Line Conditioning	6.0	93.5	0.0	1.10	-	5.2	63.1	0.0	7.10
2362.3	Emergency 911	1.9	100.0	0.0 #	0.00	-	2.0	100.0	0.0 #	0.00
2411.1	Poles	8.9	139.8	-60.0	2.30	-	8.5	135.9	-60.0	2.80
2421.1	Aerial Metallic	8.0	128.3	-36.0	0.00	-	6.9	136.0	-36.0 #	0.00
2421.2	Aerial NonMetallic	9.9	83.2	-25.0	4.20	-	8.3	95.9	-25.0	3.50
2421.6	Aerial Metallic Drop	8.0	128.3	-36.0	1.00	-	6.9	119.4	-36.0	2.40
2422.1	Underground Metallic	10.4	101.0	-12.0	1.10	-	9.0	58.8	-12.0	5.90
2422.2	Underground Non-Metallic	12.1	51.2	-12.0	5.00	-	14.2	27.1	-12.0	6.00
2423.1	Buried Metallic	8.2	54.0	-5.0	6.20	-	7.0	68.3	-5.0	5.20
2423.2	Buried Non-Metallic	13.6	38.1	-5.0	4.90	-	11.4	52.1	-5.0	4.60
2423.6	Buried Metallic Drop	8.2	54.0	-5.0	6.20	-	7.0	76.9	-5.0	4.00
2426.1	Intrabuilding Metallic	9.1	89.4	-5.0	1.70	-	7.9	105.0	-5.0 #	0.00
2426.2	Intrabuilding Fiber	9.1	89.4	-5.0	1.70	-	14.2	105.0	-5.0 #	0.00
2431.1	Aerial Wire	5.0	135.0	-35.0	0.00	-	4.8	135.0	-35.0 #	0.00
2441.1	Conduit	33.0	50.3	-15.0	2.00	-	29.7	55.9	-15.0	2.00

* Whole Life Rate
\# Fully Reserved Account
@ Amortization completed in 7/1/06.
Note: Switching Generic Software rate was shut off 2/1/07.

Nov-08

EXHIBIT A

UNITED TELEPHONE COMPANY OF THE WEST-NEBRASKA
STATEMENT B

CHANGE IN ANNUAL DEPRECIATION EXPENSE
RESULTING FROM CHANGES IN DEPRECIATION RATES

ACCOUNT NUMBER	CLASS or SUBCLASS of PLANT	INVESTMENT 1/1/2008	ANNUALIZED ACCRUALS BASED ON RATES IN EFFECT 12-31-07	ANNUALIZED ACCRUALS BASED ON RATES PROPOSED 1/1/2009	ANNUALIZED CHANGES IN ACCRUALS
		(I)	(J)=I*D	(K)=I*H	(L)=K-J
2112.1	Passenger Cars	0	0	0	0
2112.2	Light Trucks	69,184	3,874	16,120	12,246
2112.3	Heavy Trucks	348,069	29,934	22,973	(6,961)
2116.1	Other Work Equipment	423,294	16,085	63,071	46,986
2121.1	Buildings	2,602,971	75,486	70,280	(5,206)
2121.3	Buildings Equipment	858,415	75,540	74,682	(858)
2121.4	Buildings Towers	51,450	6,174	2,675	(3,499)
2122.1	Furniture	34,572	0	0	0
2123.1	Office Support Equipment	0	0	0	0
2123.2	Office Equipment-Co. Communications	48,794	18,883	0	(18,883)
2124.2	General Purpose Computers	0	0	0	0
2212.1	Digital Electronic Switching	1,858,577	0	0	0
2212.8	Switching Generic Software	17,401	0	4,350	4,350
2213.1	Packet Switching - Call Server	3,808,043	283,113	350,340	67,227
2213.2	Packet Switching - ATM	428,214	71,512	74,081	2,569
2213.3	Packet Switching - Trunk Gateway	2,157,529	310,933	237,328	(73,605)
2213.4	Packet Switching - Line Gateway	7,363,128	456,676	817,307	360,632
2213.8	Packet Switching Software	659,355	164,839	164,839	0
2213.9	Packet Switching - IP Circuit	231,320	38,631	24,289	(14,342)
2231	Radio	2,421	0	368	368
2232.1	Circuit-Analog	315,054	0	0	0
2232.2	Circuit-Digital	6,585,021	250,231	190,966	(59,265)
2232.3	Circuit-Digital Fiber	3,671,001	429,507	190,892	(238,615)
2232.4	Circuit-Analog PG	490,357	0	0	0
2232.5	Circuit-Digital PG	7,169,236	888,893	93,200	(795,693)
2232.9	DSLAM Equipment	1,490,986	186,373	123,752	(62,621)
2362.1	Subscriber Multiplex	57,524	0	6,155	6,155
2362.2	Line Conditioning	687,137	7,559	48,787	41,228
2362.3	Emergency 911	2,492	0	0	0
2411.1	Poles	527,742	12,138	14,777	2,639
2421.1	Aerial Metallic	2,625,191	0	0	0
2421.2	Aerial NonMetallic	10,378	436	363	(73)
2421.6	Aerial Metallic Drop	822,497	8,225	19,740	11,515
2422.1	Underground Metallic	1,039,479	11,434	61,329	49,895
2422.2	Underground Non-Metallic	408,888	20,444	24,533	4,089
2423.1	Buried Metallic	28,976,204	1,796,525	1,506,763	(289,762)
2423.2	Buried Non-Metallic	8,254,754	404,483	379,719	(24,764)
2423.6	Buried Metallic Drop	2,424,527	150,321	96,981	(53,340)
2426.1	Intrabuilding Metallic	25,750	438	0	(438)
2426.2	Intrabuilding Fiber	2,044	35	0	(35)
2431.1	Aerial Wire	24,418	0	0	0
2441.1	Conduit	432,892	8,658	8,658	0
	TOTAL	87,006,309	5,727,380	4,689,317	(1,038,063)
	COMPOSITE RATE		6.6%	5.4%	

Note: column J shows expense based on investment prior to the Digital Switching reclass

Nov-08

EXHIBIT A

UNITED TELEPHONE COMPANY OF THE WEST-NEBRASKA
PROPOSED
USING: ACTUAL 2007 YEAR-END ACCOUNT BALANCES
PROPOSED EFFECTIVE DATE: JANUARY 1, 2009

PARAMETER REPORT

ACCOUNT NUMBER	CLASS or SUBCLASS of PLANT	PROJECTION LIFE	IOWA CURVE SHAPE	FIRST ELG YEAR	AVG. REM. LIFE	AVG SERVICE LIFE	FUTURE NET. SALVAGE	AVERAGE NET. SALVAGE
2112.1	Passenger Cars	5.5	SQ	1900	5.5	5.5	10%	10%
2112.2	Light Trucks	5.5	R2.5	1900	1.6	6.4	13%	13%
2112.3	Heavy Trucks	10.0	L2.5	1900	5.1	9.9	12%	12%
2116.1	Other Work Equipment	7.7	S1.0	1900	3.5	8.3	10%	10%
2121.1	Buildings	30.0	R0.5	1900	13.4	34.4	-10%	-10%
2121.3	Buildings Equipment	10.0	R1.5	1900	3.3	13.7	-25%	-25%
2121.4	Buildings Towers	15.0	L1.0	1900	3.7	30.4	-60%	-60%
2122.1	Furniture	7.0	SQ	1900	7.0	7.0	5%	5%
2123.1	Office Support Equipment	5.0	SQ	1900	5.0	5.0	0%	0%
2123.2	Office Equipment-Co. Communications	7.0	SQ	1900	7.0	7.0	0%	0%
2124.2	General Purpose Computers	5.0	SQ	1900	5.0	5.0	0%	0%
2212.1	Digital Electronic Switching	13.5	S1.5	1900	6.4	13.4	0%	0%
2212.8	Switching Generic Software	4.0	SQ	1900	2.0	4.0	0%	0%
2213.1	Packet Switching - Call Server	7.0	S4.0	1900	5.3	6.8	0%	0%
2213.2	Packet Switching - ATM	6.0	S6.0	1900	4.2	6.0	0%	0%
2213.3	Packet Switching - Trunk Gateway	8.0	S6.0	1900	6.4	7.9	0%	0%
2213.4	Packet Switching - Line Gateway	7.0	S6.0	1900	5.6	6.9	0%	0%
2213.8	Packet Switching Software	4.0	SQ	1900	4.0	4.0	0%	0%
2213.9	Packet Switching - IP Circuit	9.0	SQ	1900	9.0	9.0	0%	0%
2231	Radio	5.0	L2.0	1900	0.6	15.2	-4%	-4%
2232.1	Circuit-Analog	8.4	R1.0	1900	1.7	15.1	0%	0%
2232.2	Circuit-Digital	13.5	R1.5	1900	6.3	14.4	0%	0%
2232.3	Circuit-Digital Fiber	13.5	S2.0	1900	7.9	12.5	0%	0%
2232.4	Circuit-Analog PG	8.4	R2.5	1900	0.6	19.0	-3%	-3%
2232.5	Circuit-Digital PG	12.6	R2.0	1900	5.4	13.5	0%	0%
2232.9	DSLAM Equipment	11.0	S5.5	1900	8.6	10.9	0%	0%
2362.1	Subscriber Multiplex	10.0	SQ	1900	4.9	10.2	0%	0%
2362.2	Line Conditioning	10.0	SQ	1900	5.2	10.2	0%	0%
2362.3	Emergency 911	10.0	R4.5	1900	2.0	10.8	0%	0%
2411.1	Poles	20.0	L0.0	1900	8.5	32.8	-60%	-60%
2421.1	Aerial Metallic	15/24	R1.5	1900	6.9	20.1	-36%	-36%
2421.2	Aerial NonMetallic	22.0	S1.0	1900	8.3	24.8	-25%	-25%
2421.6	Aerial Metallic Drop	15/24	R1.5	1900	6.9	20.1	-36%	-36%
2422.1	Underground Metallic	15/30	R0.5	1900	9.0	14.8	-12%	-12%
2422.2	Underground Non-Metallic	22.0	L2.0	1900	14.2	18.7	-12%	-12%
2423.1	Buried Metallic	15/23	R2.0	1900	7.0	17.4	-5%	-5%
2423.2	Buried Non-Metallic	21.0	R4.5	1900	11.4	20.6	-5%	-5%
2423.6	Buried Metallic Drop	15/23	R2.0	1900	7.0	17.4	-5%	-5%
2426.1	Intrabuilding Metallic	15/30	R0.5	1900	7.9	17.2	-5%	-5%
2426.2	Intrabuilding Fiber	22.0	L2.0	1900	14.2	18.7	-5%	-5%
2431.1	Aerial Wire	14.0	L1.0	1900	4.8	22.5	-35%	-35%
2441.1	Conduit	55.0	R5.0	1900	29.7	54.7	-15%	-15%

EXHIBIT A

UNITED TELEPHONE COMPANY OF THE WEST-NEBRASKA

BOOK RESERVE RECLASSIFICATIONS
EFFECTIVE 1/1/2009

ACCOUNT NUMBER	CLASS or SUBCLASS of PLANT	12/31/2007 INVESTMENT	12/31/2007 ACCUMULATED DEPRECIATION	12/31/2007 RESERVE PERCENT	PROPOSED SALVAGE VALUE	RESERVE RECLASSIFICATION	1/1/2008 ACCUMULATED DEPRECIATION	1/1/2008 RESERVE PERCENT
2112.1	Passenger Cars	0	0	NA	10.0%		0	NA
2112.2	Light Trucks	69,184	34,397	49.7%	13.0%		34,397	49.7%
2112.3	Heavy Trucks	348,069	188,294	54.1%	12.0%		188,294	54.1%
2116.1	Other Work Equipment	423,294	160,470	37.9%	10.0%		160,470	37.9%
2121.1	Buildings	2,602,971	1,905,413	73.2%	-10.0%		1,905,413	73.2%
2121.3	Buildings Equipment	858,415	928,911	108.2%	-25.0%	(101,487)	827,424	96.4%
2121.4	Buildings Towers	51,450	72,370	140.7%	-60.0%		72,370	140.7%
2122.1	Furniture	34,572	32,717	94.6%	5.0%	126	32,843	95.0%
2123.1	Office Support Equipment	0	0	NA	0.0%		0	NA
2123.2	Office Equipment-Co. Communications	48,794	48,794	100.0%	0.0%		48,794	100.0%
2124.2	General Purpose Computers	0	(101,361)	0.0%	0.0%	101,361	(0)	0.0%
2212.1	Digital Electronic Switching	1,858,577	1,858,577	100.0%	0.0%		1,858,577	100.0%
2212.8	Switching Generic Software	17,401	5,783	33.2%	0.0%		5,783	33.2%
2213.1	Packet Switching - Call Server	3,808,043	1,951,201	51.2%	0.0%		1,951,201	51.2%
2213.2	Packet Switching - ATM	428,214	117,467	27.4%	0.0%		117,467	27.4%
2213.3	Packet Switching - Trunk Gateway	2,157,529	640,414	29.7%	0.0%		640,414	29.7%
2213.4	Packet Switching - Line Gateway	7,363,128	2,779,646	37.8%	0.0%		2,779,646	37.8%
2213.8	Packet Switching Software	659,355	201,346	30.5%	0.0%		201,346	30.5%
2213.9	Packet Switching - IP Circuit	231,320	13,535	5.9%	0.0%		13,535	5.9%
2231	Radio	2,421	2,297	94.9%	-4.0%		2,297	94.9%
2232.1	Circuit-Analog	315,054	314,731	99.9%	0.0%	323	315,054	100.0%
2232.2	Circuit-Digital	6,585,021	5,384,516	81.8%	0.0%	(323)	5,384,193	81.8%
2232.3	Circuit-Digital Fiber	3,671,001	2,175,772	59.3%	0.0%		2,175,772	59.3%
2232.4	Circuit-Analog PG	490,357	505,072	103.0%	-3.0%		505,072	103.0%
2232.5	Circuit-Digital PG	7,169,236	6,654,989	92.8%	0.0%		6,654,989	92.8%
2232.9	DSLAM Equipment	1,490,986	420,329	28.2%	0.0%		420,329	28.2%
2362.1	Subscriber Multiplex	57,524	27,473	47.8%	0.0%		27,473	47.8%
2362.2	Line Conditioning	687,137	433,465	63.1%	0.0%		433,465	63.1%
2362.3	Emergency 911	2,492	2,492	100.0%	0.0%		2,492	100.0%
2411.1	Poles	527,742	717,264	135.9%	-60.0%		717,264	135.9%
2421.1	Aerial Metallic	2,625,191	3,735,191	142.3%	-36.0%	(164,931)	3,570,260	136.0%
2421.2	Aerial NonMetallic	10,378	9,954	95.9%	-25.0%		9,954	95.9%
2421.6	Aerial Metallic Drop	822,497	818,249	99.5%	-36.0%	163,519	981,768	119.4%
2422.1	Underground Metallic	1,039,479	610,952	58.8%	-12.0%		610,952	58.8%
2422.2	Underground Non-Metallic	408,888	110,786	27.1%	-12.0%		110,786	27.1%
2423.1	Buried Metallic	28,976,204	19,779,158	68.3%	-5.0%		19,779,158	68.3%
2423.2	Buried Non-Metallic	8,254,754	4,296,663	52.1%	-5.0%		4,296,663	52.1%
2423.6	Buried Metallic Drop	2,424,527	1,864,195	76.9%	-5.0%		1,864,195	76.9%
2426.1	Intrabuilding Metallic	25,750	28,654	111.3%	-5.0%	(1,616)	27,038	105.0%
2426.2	Intrabuilding Fiber	2,044	(2)	-0.1%	-5.0%	2,148	2,146	105.0%
2431.1	Aerial Wire	24,418	32,084	131.4%	-35.0%	880	32,964	135.0%
2441.1	Conduit	432,892	241,920	55.9%	-15.0%		241,920	55.9%
	TOTAL	87,006,309	59,004,180			0	59,004,180	