

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of
Northeastern Telephone Company, Blair,
Nebraska, for Authority to increase
depreciation rates on certain item of
depreciable property.

Application No. C-284

GRANTED

Entered: November 23, 1982

OPINION AND FINDINGS

BY THE COMMISSION:

By its Application filed July 26, 1982, the Central Nebraska Telephone Company, Blair, Nebraska, seeks authority to increase depreciation rates on certain items of depreciable property, namely, on Station Apparatus, Account 231, and on PBX's, Account 234.

Notice of the filing of the application was published pursuant to the provisions of the Commission Rules and Regulations. No protest to the application was filed.

Upon consideration of the application and supporting evidence and being fully advised, the Commission is of the opinion and finds that:

1. Applicant is a Corporation organized and existing under the laws of the State of Nebraska. Its principal office is located at Blair, Nebraska. It is engaged in the telephone business as a common carrier serving approximately 3,705 subscribers through exchanges located at Arnold, Callaway, Elgin, Ewing, Oconto, Oakdale, Page, Stapleton and Tryon, Nebraska.

2. Applicant proposes a 20% depreciation rate to apply on its investment in Station Apparatus and PBX's. Applying the proposed depreciation rates to the balances in Accounts 231 and 234 at December 31, 1981, results in an annual increase in depreciation expense of \$34,857.58.

3. A reduction in customer premises equipment service life will be accelerated by deregulation, competition and obsolescence in addition to physical wear and tear. The deregulation of customer premises equipment after January 1, 1983 means that no new investment will be added to accounts 231 and 234. Accordingly, the average service life of the embedded customer premises equipment will get older and the remaining life will become shorter, thereby requiring increased depreciation rates.

4. The Application is fair and reasonable and should be granted.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-284 be and it is hereby granted and the Union Telephone Company is authorized to increase its depreciation rate to 20% on its investment carried in Accounts 231 and 234, effective September 1, 1982.

MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of November, 1982.

NEBRASKA PUBLIC SERVICE COMMISSION

Harold D. Simpson
Chairman

ATTEST:

Terrence L. Kubacki
Executive Secretary

COMMISSIONERS CONCURRING:

Duane D. Gay