

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
Nebraska Telephone Association, Lincoln,)
Nebraska, for authority to establish)
depreciation rates for telephone com-)
panies.)

Application No. C-305

GRANTED IN PART

Entered: November 23, 1982

APPEARANCES: For the applicant
Bert L. Overcash, Attorney
1500 American Charter Center
Lincoln, Nebraska

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed October 1, 1982, the Nebraska Telephone Association, Lincoln, Nebraska, seeks authority to establish depreciation rates for telephone companies.

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

Pursuant to notice required by law, public hearing was held on the application on November 17, 1982, at 9:30 a.m. in the Commission Hearing Room, Lincoln, Nebraska with appearance as set forth above.

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

1. The applicant is an association comprised of 44 regulated telephone companies operating in Nebraska engaged in furnishing telephone service under the laws of Nebraska and the regulations of this Commission.

2. By order entered April 10, 1979 in application No. 33118 this Commission established maximum rates of depreciation for each class of telephone plant and established procedures to put said rates in effect.

3. By order entered December 2, 1980 in application No. C-40 the Commission modified the procedures established in 1979.

4. Applicant now seeks to increase the maximum rates established in 1979. On November 3, 1982, applicant submitted a motion that the November 17th hearing be confined to the depreciation rates for station apparatus, station connections and large PBX's, which motion was granted by the Commission. Present and proposed maximum depreciation rates for these accounts are:

	Present	Proposed
station apparatus	10.0%	20.0%
station connections	15.0	20.0
large PBX's	12.5	20.0

5. The evidence indicates that since 1979 the service life of customer premises equipment has been reducing at an accelerating rate because of deregulation, competition and obsolescence in addition to physical wear and tear. The proposed rates are necessary in order to recover the investment in these accounts over the average remaining life of the assets.

6. There is presently pending before the Commission Proposed Rule and Regulation No. 65 which concerns the method of accounting for the inside wire portion of the station connections account. Because of this pending matter we are of the opinion and find that no action should be taken on depreciation rates for station connections at this time but that this should be a part of the consideration to be given to the remaining plant accounts at a later date.

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. C-305

Page two

7. Exhibit No. 5 consists of letters from 25 telephone companies indicating their intent to place in effect December 1, 1982 the depreciation rates allowed in this application.

8. Those telephone companies that have not submitted letters of intent or separate applications must do so on or before November 30, 1982 in order to place in effect December 1, 1982 the depreciation rates for station apparatus and large PBX's proposed herein.

9. The application is fair and reasonable, is in the public interest and should be granted in part.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that application No. C-305 be and it is hereby granted in part and Nebraska telephone companies be and they are hereby authorized to revise depreciation rates for station apparatus and large PBX's up to a maximum of 20% using precedures established previously in application Nos. 33118 and C-40.

IT IS FURTHER ORDERED that those telephone companies whose letters of intent are a part of Exhibit No. 5 may place such depreciation rates for station apparatus and large PBX's in effect on December 1, 1982.

IT IS FURTHER ORDERED that those telephone companies that have not submitted letters of intent or separate applications who do submit letters of intent on or before November 30, 1982 may place such depreciation rates for station apparatus and large PBX's in effect December 1, 1982.

IT IS FURTHER ORDERED that maximum depreciation rates for other plant accounts not revised herein shall be the subject of a further order after further hearing.

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

NEBRASKA PUBLIC SERVICE COMMISSION

Harold D. Simpson
Chairman

ATTEST:

Terrence L. Kuback
Executive Secretary

COMMISSIONERS CONCURRING:

Duane D. Gay