

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-874
The Lincoln Telephone and Telegraph)
Company for authority to adjust) GRANTED
depreciation rates on classes of)
equipment.) Entered: December 10, 1991

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

By its application filed December 21, 1990, 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, 1989 book balances, would increase annual depreciation expense by \$1,071,000. The depreciation rates proposed by the Commission staff, when applied to December 31, 1990 plant balances, would increase annual depreciation expense by \$736,000.

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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. On November 8, 1991, Maurice Gene Hand, Acting Director of Telecommunications for the Commission received a letter from W. J. Ashburn, Industry Relations Manager for The Lincoln Telephone and Telegraph Company, stating that the Company has reviewed and will accept the staff recommendations in this Docket.

7. The Commission staff proposed reductions in applicant's subscriber rates in recognition of the elimination of the inside wire amortization which for 1991 will reduce applicant's expenses by \$1,263,000 and by \$2,189,000 for the remaining year of the triennial period.

8. The applicant submitted to the staff historical and forecasted depreciation expense trends for the period 1983 through 1995.

9. The applicant and Commission staff have agreed that the benefits to LT&T from the elimination of the inside wire amortization shall not be addressed by this order.

10. 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 "Compromised-Depr. Rate" of Exhibit 2B attached hereto are fair and reasonable, are supported by the evidence and are hereby approved.

11. 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-874 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 10 hereinabove effective January 1, 1991.

MADE AND ENTERED at Lincoln, Nebraska, this 10th day of December, 1991.

NEBRASKA PUBLIC SERVICE COMMISSION

Daniel G. Munnelly

Vice Chairman

COMMISSIONERS CONCURRING:

Daniel G. Munnelly
Duane D. Gay

//s//James F. Munnelly
//s//Eric Rasmussen

ATTEST:

John R. Long
Executive Director