

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-875
of United Telephone Company of)
the West for revised depreciation) GRANTED
rates.)
) Entered: July 30, 1991

OPINION AND FINDING

By its application filed December 26, 1990, United Telephone Company of the West seeks authority to adjust depreciation rates.

Notice of the filing of 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. Upon consideration of the application, the information presented to the Commission staff by applicant and being fully advised, the Commission is of the opinion and finds that:

1. Applicant is a common carrier furnishing general communications for hire in 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 this Commission's order entered in Application No. C-664 on April 14, 1987, which requires a depreciation rate review of the applicant by the Commission on a triennial basis.
4. Representatives of the staff of the Commission and United have held several meetings to discuss the proposed depreciation rates. As a result of these meeting and negotiations, the Commission staff and United have entered into a Joint Stipulation and Agreement which provides:
 - a. The revised depreciation rates, (as shown on Schedule 1, in Exhibit A) will be instituted by United effective 1/1/91.
 - b. United agrees to amortize the reserve imbalances (as shown on Schedule 2, in Exhibit A) over a three-year period effective 1/1/91.
 - c. United agrees to accelerate the modernization of three (3) central offices and a radio transmission facility as outlined on Schedule 3, in Exhibit A).

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d. United agrees to reduce the monthly rates for touch tone service for its Nebraska customers to \$0.80 cents for residential and \$1.55 for business customers when the final Commission order is effective. (See Schedule 4, in Exhibit A, for the overall financial impact.)

e. United agrees to forego any request for rate relief resulting from the incurrence of expenses for the establishment of its Life Information DataBase (LIDB), DEM/Gross Allocator cost shifts and Other Post Retirement Employee Benefits (OPEB) during the 3-year triennial depreciation period ending 12/31/93. This agreement in no way precludes United from seeking rate relief for expenses not specifically noted above, nor does staff's agreement to include the above expenses in this Stipulated Agreement bind the staff to take the same position with any other company or in any other proceeding. (See Schedule 4, in Exhibit A for overall financial impact.)

f. Staff agrees that the elimination of the inside wire amortization (ending 6/1/91) and the resulting benefits to United are to be included as part of the overall Stipulated Agreement. (See Schedule 4 for the overall financial impact.)

5. The Joint Stipulation and Agreement is attached hereto as Exhibit A and is incorporated herein by reference.

6. Upon consideration of the application, the Joint Stipulation and Agreement and being fully advised, the Commission is of the opinion and finds that the application is fair and reasonable, is in the public interest and should be granted effective January 1, 1991.

ORDER

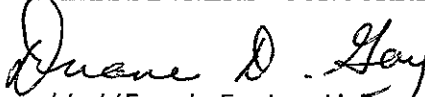
IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-875 is hereby granted and the applicant United Telephone Company of the West is hereby authorized to adjust depreciation rates as set forth above effective January 1, 1991.

MADE AND ENTERED at Lincoln, Nebraska, this 30th day of July, 1991.

NEBRASKA PUBLIC SERVICE COMMISSION


Chairman

COMMISSIONERS CONCURRING:


//s//Frank E. Landis
//s//James F. Munnelly
//s//Daniel G. Urwiller

ATTEST:


Executive Director

COMMISSIONERS DISSENTING:

//s//Eric Rasmussen

DISSENT OF COMMISSIONER ERIC RASMUSSEN

C-875

I respectfully dissent from the majority. Nebraska has traditionally been the leader in the United States with favorable depreciation rates for the Telephone industry. With this in mind, the rate payers deserve better than to have to continue to pay a surcharge for touch tone service, a service charge that has absolutely no technical justification as to cost. This cost to the customer should be eliminated now or at the very least a plan initiated to eliminate this charge in the future.


Eric Rasmussen