

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1253
of Hamilton Telephone Company,)
Inc. of Aurora, Nebraska seeking) GRANTED
authority to revise depreciation)
rates retroactive to July 1, 1994.) Entered: December 5, 1995

PRELIMINARY MATTERS

By application filed October 25, 1995, Hamilton Telephone Company of Aurora, Nebraska seeks authority to revise its depreciation rates used to compute depreciation expenses on its Nebraska intrastate investment. Notice of the application was published in the Omaha Daily Record on October 27, 1995 in accordance with the Commission's Rules of Procedure. No protests to the application were received; therefore, the application will be processed pursuant 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

Upon consideration of the application, and being fully informed, the Commission is of the opinion and finds:

Hamilton Telephone Company (Hamilton) is engaged in the provision of telecommunications services to subscribers in Nebraska and is subject to the jurisdiction of the Public Service Commission of the State of Nebraska.

On September 27, 1994, the Commission approved an application filed by the Nebraska Telephone Association, C-1099, to establish revised guideline depreciation rates for various communication assets in Nebraska. In order to properly reflect changes in technology, these rates are periodically reviewed and revised. The guideline depreciation rates prior to the approval of C-1099 had not been revised since 1988.

Hamilton began to apply revised depreciation rates for five plant accounts effective July 1, 1994 that conformed to the guidelines set forth in Application C-1099. However, Hamilton did not request approval from the Commission for such change, as Hamilton assumed that alternations made within the authorized guideline rates were permitted and subject to the applicant's discretion.

Upon filing its 1994 Annual Report with the Commission, Hamilton was informed by the Commission staff of the need to obtain Commission approval for any change made to its depreciation rates. Accordingly, Hamilton filed the present application requesting retroactive approval. Included with the

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application is a table displaying the revised depreciation rates for seven plant accounts proposed to be effective July 1, 1994. This table shall be labeled "Exhibit A" and attached to this order.

The effect of changing the depreciation rates in July, 1994 will increase annual depreciation expense by approximately \$101,377. Total depreciation expense will increase to \$655,765 by approving this application.

As the depreciation rates applied by Hamilton in 1994 conform with the guidelines established by the Commission in Application C-1099, the Commission approves the request retroactively to July 1, 1994.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the depreciation rates found in Exhibit A, attached hereto and made part of this Order, shall be the approved depreciation rates for the listed plant accounts of Hamilton Telephone Company effective retroactively beginning July 1, 1994.

MADE AND ENTERED at Lincoln, Nebraska, this 5th day of December, 1995.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

//s//Lowell Johnson

//s//Rod Johnson

//s//Frank E. Landis

//s//James F. Munnely

Vice Chairman

ATTEST:

Executive Director