

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Depreciation study for QUINCY)	DOCKET NO. 910565-TL
TELEPHONE COMPANY)	ORDER NO. 25679
)	ISSUED: 2/3/92

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 SUSAN F. CLARK
 J. TERRY DEASON
 BETTY EASLEY

NOTICE OF PROPOSED AGENCY ACTION
ORDER SETTING DEPRECIATION RATES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Rule 25-4.0175, Florida Administrative Code (the Rule), requires telephone companies to submit depreciation studies within three years of the submission date of the last study. Quincy Telephone Company's (Quincy or the Company) last study was filed February 24, 1989, inadvertently seven months delinquent. By Order No. 22585, issued February 21, 1990 (the Order), we granted the Company a one-time waiver of the Rule; but, in order to place the Company back on its proper filing cycle, we directed Quincy to file its next triennial depreciation study no later than June 7, 1991. The present study (the Study) was filed May 2, 1991, in compliance with that Order. Upon review of the Company's plans and the status of life, salvage, and reserve parameters, we find that revision of recovery schedules and depreciation rates is appropriate at this time.

As shown on Attachment 1, the net bottom line reserve deficit is \$410,091. As a result of our findings in Docket 910461-TL, concerning the disposition of Quincy's 1990 and 1991 overearnings, we determined, by Order No. 24940, issued August 20, 1991, that \$250,359 (total company) is available from 1990 earnings. An additional \$70,145 (total company) was placed in an unclassified reserve account pending resolution of this Study. Further, we approved an additional \$150,000 (intrastate) as an offset to reserve deficit; which will gross up to approximately \$208,681

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total company. Using \$410,091 of these funds, along with the transfers from accounts showing a surplus will bring all accounts into balance with the reserve position attained if the life and salvage components presently seen as correct had been in use historically. Any residual overearnings will be addressed in Docket No. 910461-TL.

Based on the results of the Study, we find that the appropriate life and salvage parameters and resulting depreciation rates for Quincy are those set forth in Attachment 2, attached hereto. The major changes in depreciation rates are in those accounts representing assets subject to displacement by expected technological innovations; the Central Office and Outside Plant accounts.

Further, we are approving a two-year capital recovery schedule for the buried cable planned for retirement in 1992, as shown in Attachment 3. To account for any interim activity or changes in projected net salvage, the expense for this recovery schedule should be developed each month by dividing net plant for that month by the months remaining in the recovery schedule.

Quincy requested a January 1, 1991, implementation date for its newly prescribed depreciation rates. All data and calculations submitted in the Study support this date. We believe this to be an appropriate effective date and hereby approve the requested implementation date.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the depreciation reserve accounts of Quincy Telephone Company, its depreciation rates and components, and its amortization schedules are hereby adjusted and represeted as set forth in the body of this Order and as more particularly identified in the attachments appended to this Order. It is further

ORDERED that the implementation date of the new depreciation rates shall be January 1, 1991. It is further

ORDERED that this docket shall be closed at the expiration of the period established below if a proper protest has not been received.

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By ORDER of the Florida Public Service Commission, this 3rd
day of FEBRUARY, 1992.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

PAK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on 2/24/92.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

QUINCY TELEPHONE CO.
DEPRECIATION STUDY 1-1-91
(Reserve Adjustments)
(Using Overearnings and Reserve Transfers)

ACCOUNT	TRANSFERS		1-1-91 ADJUSTED	
	In	(Out)	< RESERVE	->
	\$		\$	%
General Support Assets:				
Autos	6,668		7,268E	16.00
(After retire of the Ply.Reliant)				
Lt. Tk.s	15,230		37,228E	26.80
(After retire of the F250 and two S-10s)				
Hvy. Tk.s	(3,098)		18,955E	8.50
(After retire of the 1980 Ford)				
C.O.Bldg.s	57,838		325,379	44.70
Plt.Bldg.s	(12,232)		29,640	20.80
Paysta.s	(25,952)		34,687	52.27
General S.A. totals =	38,454		453,157	
C.O.E.:				
Alcatel Sw.	7,022		687,058	42.76
(E-10 & Talquin Remote)				
SC Sw.	100,131		212,563	13.10
(DCO, Attapulg., SC Remotes)				
Radio	(12,299)		24,589	61.15
Subscr.Cct.	(240,263)		0	0.00
Analog	175,479		175,479	72.35
Digital	35,852		35,852	28.50
Trunk Cct.	(67,271)		420,595	64.25
Concentrator	(7,736)		7,116	5.00
C.O.E. totals =	(9,085)		1,563,252	
O.S.P.:				
Poles	78,904		177,499	58.41
Cables -				
Aer. Met.	335,453		942,341	50.08
U.G. Met.	49,564		175,331	61.74
Bur.NonF.	(352,971)		0	0.00
91-92 Rets	132,164		132,164	94.00
Remaining	156,253		156,253	77.50
Bur.Fill.	(33,528)		2,163,507	26.70
Submarine	386		1,186	11.80
Aer. Wire	21,341		18,699	39.00
Conduit	(6,844)		73,441	48.00
O.S.P. totals =	380,722		3,840,421	

Net of ordered
corrective transfers from
overearnings (Total Company) = 410,091

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ATTACHMENT 2

QUINCY TELEPHONE CO.
DEPRECIATION STUDY 1-1-91
(Rates and Components)

ACCOUNT	< - - - ORDERED - - - >			
	REM. LIFE	NET SALV. %	ADJ. RESV. %	DEPR. RATE %
<u>(General Support Assets)</u>				
2112 Motor Vehicles				
.10 Passenger	4.0	20	16.00	16.0
.20 Lt. Tks.	4.0	20	26.80	13.3
.30 Hvy. Tks.	9.0	15	8.50	8.5
2121 Buildings				
.10 C. O.	21	7	44.70	2.3
.20 Plant	24	0	20.80	3.3
(Assets Amortized by Rule)				
2116 Work Equip.	SEVEN	YEAR	AMORTIZATION	
2122 Furniture	TEN	YEAR	AMORTIZATION	
2123 Ofc. Equip.	SEVEN	YEAR	AMORTIZATION	
.20 Comp. Comm.	FIVE	YEAR	AMORTIZATION	
2124 Gen. Purp. Comp.	FIVE	YEAR	AMORTIZATION	
<u>(Central Office Assets)</u>				
2212 Dig. Electronic Sw.				
.11 & .21 Alcatel	5.3	0	42.76	10.8
.10 & .20 S. C.	11.0	0	13.10	7.9
2231 Radio	3.5	0	61.15	11.1
2232 Circuit Equip.				
.10 Subscriber				
Analog	3.5	0	72.35	7.9
Digital	7.0	5	28.50	9.5
.20 Trunk	2.5	0	64.25	14.3
.30 Concentrator	9.5	0	5.00	10.0
.325 Optic	10.0#	0	NA	10.0
<u>(Info Orig/Term Assets)</u>				
2351 Paystations	4.3	0	52.27	11.1
<u>(Outside Plant)</u>				
2411 Poles	12.9	(50)	58.41	7.1
2421 Aerial Cable				
.00 Metallic	11.1	(30)	50.08	7.2
.xx Fiber	20.0#	(5)	NA	5.3
2422 U.G. Cable				
.10 Metallic	10.3	(5)	61.74	4.2
.xx Fiber	20.0#	(5)	NA	5.3
2423 Bur. Cable				
.10 Met. AirCore (Rem)	5.0	(5)	77.50	5.5
.10 " " (91-92 Rets)	2	YR. RECOV.	SCHED.	
.20 Met. Filled	13.5	(5)	26.70	5.8
.30 Fiber	20.0#	(5)	NA	5.3
2424 Submarine Ca.	22.0	(2)	11.80	4.1
2431 Aerial Wire	7.4	(50)	39.0	15.0
2441 Conduit	26.0	0	48.00	2.0

Whole Life

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ATTACHMENT 3

QUINCY TELEPHONE CO.
DEPRECIATION STUDY 1-1-91
(Two year Recovery Schedule for)
(1991-1992 Buried Cable Retirements)

<u>ACCOUNT</u>	<u>RETIRING INVEST.</u>	<u>NET SALVAGE</u>	<u>RESERVE</u>	<u>TO BE RECOVERED</u>	<u>PERIOD</u>
	\$	\$	\$	\$	yr.s
Buried Cable Non-filled	140,600	(7,030)	132,164	15,466	2