**FLORIDA PUBLIC SERVICE COMMISSION**

 **Fletcher Building**

 **101 East Gaines Street**

 **Tallahassee, Florida 32399-0850**

 **M E M O R A N D U M**

 **September 30, 1993**

**TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING**

**FROM : DIVISION OF AUDITING AND FINANCIAL ANALYSIS (JOHNSON)**

 **DIVISION OF COMMUNICATIONS (REITH)**

 **DIVISION OF LEGAL SERVICES (ADAMS)**

**RE : DOCKET NO. 930872-TL - QUINCY TELEPHONE COMPANY - REQUEST FOR A DEPRECIATION RATE FOR ACCOUNT 2362, OTHER TERMINAL EQUIPMENT, BY QUINCY TELEPHONE COMPANY**

**AGENDA: 10/12/93 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE**

**CRITICAL DATES: NONE**

**SPECIAL INSTRUCTIONS: I:\PSC\AFA\WP\930872.RCM**

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the request for a depreciation rate for Account 2362, Other Terminal Equipment, filed by Quincy Telephone Company be approved?

**RECOMMENDATION:** Yes, staff recommends that the request for a depreciation rate for the recently established Account 2362 be approved. (JOHNSON)

**STAFF ANALYSIS:** Quincy Telephone Company (Quincy or The Company) is requesting a depreciation rate for auxiliary equipment for the hearing impaired. The Company has indicated that it has recently purchased several telephone strobe lights and plans to book them to Account 2362 - Other Terminal Equipment. In accord with Rule 25-4.0175(3b), the Company has requested approval of a depreciation rate for this new category of plant.

**ISSUE 2:** What should be the date of implementation for the new rate?

**RECOMMENDATION:** Staff recommends approval of the Company's proposed June 1, 1993 date of implementation for the new rate. (JOHNSON)

**STAFF ANALYSIS:** Quincy Telephone Company has indicated that there were no investments booked to this account before June 1, 1993, thus the Company has requested an implementation date of June 1, 1993. Staff believes that the Company's requested implementation date is appropriate, and recommends that it be approved.

**ISSUE 3:** Are the Company proposed life, net salvage, and depreciation rate for this account appropriate?

**RECOMMENDATION:** Yes. Staff recommends that the Commission approve the life, net salvage, and resultant whole life depreciation rate proposed by the Company. (JOHNSON)

**STAFF ANALYSIS:** Quincy has proposed the following rate for Account 2362:

 Average Service Life = 9 years

 Net Salvage = 0%

 Depreciation rate = 11.1%

The rate requested by Quincy is consistent with other Florida companies. Currently, the average service lives for this account is between 8 to 10.1 years, while the range for net salvages is between 0% and 4%.

**ISSUE 4:** Should this docket be closed?

**RECOMMENDATION:** Yes. Staff recommends that this docket be closed. (JOHNSON)

**STAFF ANALYSIS:** No further action remains in this docket. Therefore, provided there are no protests to the Proposed Agency Action Order, staff recommends that this docket be closed.