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July 1, 1996

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Auditing & Financial Analysis Division  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

960794-TL

**Re: Quincy Telephone Company - Request for Approval of  
Remaining Life Rates**

Dear Mr. Devlin:

Quincy Telephone Company respectfully requests the Commission to approve the proposed remaining life rates as detailed on the enclosed schedules which are based upon management's evaluation of the Company's existing and proposed network.

Quincy Telephone Company is located 22 miles west of Tallahassee, Florida. The Company serves approximately 13,000 access lines through 4 exchanges. The Quincy, Greensboro and Gretna exchanges are in Florida. The Attapulcus exchange is located in Georgia.

The Company is bordered by Sprint-Centel, Southern Bell, and St. Joseph Telephone Companies. Sprint-Centel has installed a metropolitan area FDDI ring, primarily serving the state government of Florida, Florida State University and Florida A&M University. The technology deployed and services offered by Quincy Telephone are often compared with those offered by the larger neighboring companies.

The management of Quincy believes the Company must deploy the latest technology in order to survive in the dynamic telecommunications industry. This is evidenced by the Company's purchase and installation of AT&T's 5ESS switches in all four of its exchanges. Management also believes it is crucial to deploy fiber throughout Quincy's network to improve quality, increase

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FISCAL REPORTING

Timothy J. Devlin  
July 1, 1996  
Page Two

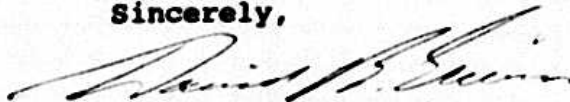
capacity, and provide new products and services to our customers. It is imperative that the Company fully recover its existing and future capital investments in a timely manner in order to implement its planned capital additions projects.

The Company proposes the following exception to the prior depreciation study:

**Aerial Cable-Metallic:** The Company proposes a change in the Iowa curve from R1 to S1.5. This change is requested due to the substantial amount of retirements expected in aerial cable and the forecasted phaseout of the embedded investment by the year 2016. The Company's proposed remaining life will remain in the allowable range approved by the Commission. The Company is also requesting a separate two year recovery schedule for the planned retirements of cable on specific routes. This schedule will be provided within 30 days of the date of this petition.

The Company has not proposed rates for the fiber optic circuit, digital central office, and buried cable accounts. These accounts will be reviewed and a proposed rate will be filed within 30 days of the date of this petition.

Sincerely,



David B. Erwin

DBE:akh  
Enclosures  
cc: Tom McCabe  
Jeff Handley  
Jeff Holt

Account	Investment	Reserve	Reserve %	Depreciation	Rate	Depreciation	Rate	Reserve	Rate	Depreciation	Rate
2122 - Motor Vehicles, Passenger Cars	38 641	3 675	9.50%	4 605	11.60%	16 358	42.50%	11 611 155	42.38%	1 818 744	
2122 - Motor Vehicles, Light Trucks	168 078	78 374	46.60%	16 358	9.70%	16 358	9.70%				
2122 - Motor Vehicles, Heavy Trucks	218 880	51 608	23.57%	20 585	9.40%	20 585	9.40%				
2121 - Buildings, Central Office	787 378	408 887	51.93%	19 333	2.50%	19 333	2.50%				
2121 - Buildings, Plant	165 817	48 577	29.30%	4 520	3.10%	4 520	3.10%				
2116 - Other Plant & Equipment, Tools	267 088	127 488	47.73%	15 312	5.73%	15 312	5.73%				
2122 - Furniture	125 083	76 251	60.95%	11 352	9.03%	11 352	9.03%				
2123 - Office Equipment	38 804	25 432	65.53%	4 080	10.51%	4 080	10.51%				
2123 - Company Communications	68 878	28 281	41.07%	8 507	12.35%	8 507	12.35%				
2126 - General Purpose Computers	772 280	788 218	102.07%	78 224	10.13%	78 224	10.13%				
Total Budget Assets	2 578 878	1 814 132	70.38%								
<b>GENERAL SUPPLY ASSETS</b>											
2122 - Digital Switch, AT&T SE & Remotes	4 585 785	1 817 881	39.64%	305 808	6.70%	305 808	6.70%				
2122 - Digital Switch, ATT SE	0	0	0%	0	0%	0	0%				
2211 - Mobile Radio Systems	0	0	0%	0	0%	0	0%				
2211 - Paging Radio Systems	0	0	0%	0	0%	0	0%				
2222 - 11 Analog Subcarrier Circuits	0	0	0%	0	0%	0	0%				
2222 - 12 Digital Subcarrier Circuits	1 682 824	373 655	22.20%	168 282	10.00%	168 282	10.00%				
2222 - 2 Trunk Circuit Equip. - Telecons	229 258	128 641	56.11%	0	0%	0	0%				
2222 - 2 Trunk Circuit Equip. - Equipment	882 188	217 857	24.70%	73 388	8.33%	73 388	8.33%				
2222 - Other Private Line Circuits	882 880	810 887	91.94%	18 555	2.10%	18 555	2.10%				
2222 - Subtotal Circuit Eq	3 887 833	1 329 850	34.19%	0	0%	0	0%				
2222 - Cycle Expenses	375 116	87 488	23.32%	37 887	10.10%	37 887	10.10%				
Total C O Assets	8 008 812	3 045 227	38.02%	0	0%	0	0%				
<b>OPERATIONAL EQUIPMENT ASSETS</b>											
2351 - Pld. Tel. Terminal Eq	85 458	53 807	62.73%	4 788	5.60%	4 788	5.60%				
2382 - Other Terminal Eq	0	0	0%	0	0%	0	0%				
Total Info Assets	85 458	53 807	62.73%	4 788	5.60%	4 788	5.60%				
<b>PROPERTY PLANTS</b>											
2811 - Pkgs	280 887	182 443	65.13%	17 188	6.12%	17 188	6.12%				
2821 - Annual Costs, Telecons	2 782 877	1 645 272	59.16%	181 847	6.54%	181 847	6.54%				
2821 - 2 - Annual Costs - Equip	287 874	211 218	73.37%	12 217	4.24%	12 217	4.24%				
2822 - 1 - Line/Equip - Telecons	212 835	10 873	5.11%	11 887	5.59%	11 887	5.59%				
2822 - 11 - Buried Cable - Air Core	0	0	0%	0	0%	0	0%				
2823 - 12 - Bur. Cbl. Air Core (81.82 Feet)	11 342 848	4 828 282	42.57%	748 515	6.60%	748 515	6.60%				
2823 - 2 - Bur. Cable - Telecons - Equip	1 188 552	118 133	9.94%	60 822	5.12%	60 822	5.12%				
2826 - Submarine Cable	18 264	3 258	17.84%	410	2.24%	410	2.24%				
2821 - Annual Costs	438	1 688	385.39%	0	0%	0	0%				
2117 - Underground Conduit	217 184	82 373	37.93%	3 675	1.69%	3 675	1.69%				
TOTAL C&P	16 287 854	6 888 187	42.30%	0	0%	0	0%				
GRAND TOTAL	28 818 404	11 611 155	40.30%	1 818 744	6.31%	1 818 744	6.31%				

