

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval to	)	DOCKET NO.	900605-TL
implement triennial depreciation	)	ORDER NO.	25378
represcription by GTE FLORIDA	)	ISSUED:	11/25/91
INCORPORATED	)		
	)		

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
 SUSAN F. CLARK  
 J. TERRY DEASON  
 MICHAEL MCK. WILSON

PROPOSED AGENCY ACTION  
ORDER GRANTING PETITION TO WITHDRAW

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.

Pursuant to Rule 25-4.0175(8)(a), GTE Florida Incorporated (GTEFL or the Company) filed a depreciation study on June 29, 1990, with a proposed implementation date of January 1, 1991. By Order No. 23985, issued January 14, 1991, we approved the Company's request to implement, on a preliminary basis, its proposed depreciation rates and amortization/recovery schedules beginning January 1, 1991. Our Staff made an initial review of the filing in February 1991, and raised certain issues regarding the accounting data accompanying the filing. The Company filed its responses to the concerns in March and April 1991. A July 10, 1991, meeting between our Staff and the Company failed to resolve the outstanding problems with the data. It is now apparent that the filing requires certain corrections which cannot be accomplished before the end of calendar year 1991. On July 30, 1991, GTEFL filed a Notice of Withdrawal of Petition and Voluntary Dismissal Without Prejudice.

We believe that many of the unresolved data problems can be attributed to changes in the structure of General Telephone Company. Since the last represcription, GTEFL has undergone reorganization, and the accounting records, including continuing

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property records, have been transferred to Texas and Indiana. The purpose of this action was to consolidate, standardize, and mechanize these systems for all seven General Telephone Companies. However, these changes have resulted in inconsistencies in the information regarding plant and reserve activity. At this point we do not have an accurate picture of the reserve for any account and we are unable to determine the current status of the recovery schedules approved in the last rescription. In addition, we are unable to determine the average age of the current surviving investments and the average remaining life. Since remaining life methodology employs the reserve position and the average remaining life of the various asset groups under study, we cannot determine proper depreciation requirements at this time. Therefore, we believe that it is appropriate to grant GTEFL's petition to withdraw its depreciation study.

However, the Company has requested that the allocation of reserve from the accumulated bottom-line reserve amount associated with 1989 and 1990 Job Development Investment Tax Credit (JDITC) and 1989 Bill and Keep of interLATA toll monies to the reserve of Inside Wire, which was included as part of the approved preliminary implementation, be retained. The \$12,096,270 allocation will complete the write off of Inside Wire. The remaining bottom-line reserve amount of \$1,959,224 will be made account specific once the capital recovery requirements of the Company are determined.

Finally, Rule 25-4.0175(8)(a) requires each company to file a depreciation study for Commission review at least once every three years from the submission date of the previous study unless otherwise required by the Commission. Since we are allowing the Company to withdraw its 1990 study, and are continuing the rates approved in 1988, we hereby direct the Company to file a new depreciation study by July 1, 1992.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that GTE Florida Incorporated's request to withdraw its depreciation study and voluntarily dismiss this docket without prejudice is hereby granted. It is further

ORDERED that the rates established by Order No. 19720, issued July 26, 1988, and included as Attachment A herein, shall continue until the Commission determines otherwise. It is further

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ORDERED that reserve allocations be made as specified herein from the accumulated bottom-line reserve amount associated with Job Development Investment Tax Credit (JDITC) and Bill and Keep of interLATA toll monies to the reserve for Inside Wire as of January 1, 1991. It is further

ORDERED that GTE Florida Incorporated shall file a new depreciation study by July 1, 1992. It is further

ORDERED that this docket be closed upon expiration of the protest period.

By ORDER of the Florida Public Service Commission, this  
25th day of NOVEMBER, 1991.

  
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

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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 12/16/91.

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.

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.

**GTE FLORIDA INCORPORATED  
APPROVED DEPRECIATION RATES**

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	<u>ACCOUNT</u>	<u>REMAINING LIFE RATE</u>
	<b>GENERAL SUPPORT ASSETS</b>	
2112.1	Passenger Cars	13.6
2112.2	Light Truck	7.3
2112.3	Heavy Trucks	3.5
2112.4	Heavy Equipment	8.4
2121.1,.2	Single/Multi Unit	4.5
2121.11	RSU	5.0 *
2121.3	Plant	2.9
2121.4	Office	1.9
2121.5,.6	Other	7.0
	<b>CENTRAL OFFICE ASSETS</b>	
2211	Analog Switching - Local	10.3
	- New Additions	34.5 *
	Analog Switching - Toll	4.8
2212.11	Digital Switching - Local	5.8
	- New Additions	8.8 *
	- New Switchers	5.5 *
2212.13	Digital Switching - Toll	5.9
	- New Additions	8.0 *
2220.1	Operator Systems - Manual	8.1
2220.2	Operator Systems - Directory Assist.	5.8
2220.31	Operator Systems - TOPS	10.0 *
2231	Radio Systems	7.9
2232.11	Circuit - Analog	6.6
2232.12,.22	Circuit - Test Equipment	7.3
2232.23	Circuit - Lightwave	10.0 *
2232.21,.5,41,61	Circuit - Digital/Incl DMS	6.9 **
2232.31	Circuit - Channel Banks	11.8
2232.51	Circuit - Span Line Equipment	11.6
	<b>INFORMATION ASSETS</b>	
2351	Public Telephone	12.6
2362.92	Telephone Devices Deaf/Hearing Imp.	21.3
2362.94	Private Line Equipment (NCTE)	13.2
2362.91,2341	Other Reg. Station Equipment	6.6
	<b>CABLE &amp; WIRE ASSETS</b>	
2411	Poles	8.0
2421.11	Aerial Cable - Metallic	4.7
2421.2	Aerial Cable - Fiber	5.8 *
2422.1	Underground Cable - Metallic	4.9
2422.2	Underground Cable - Fiber	5.3 *
2423.11	Buried Cable - Nonfilled	4.7
2423.12	Buried Cable - Filled	5.2
2423.2	Buried Cable - Fiber	5.3 *
2424.1	Submarine Cable - Metallic	3.8
2424.2	Submarine Cable - Fiber	5.3 *
2426.1X	Intrabuilding Cable - Metallic	4.8
2426.2X	Intrabuilding Cable - Fiber	5.7
2431	Aerial Wire	7.7
2441	Conduit	2.3
	<b>AMORTIZATIONS</b>	
	Garage Work Equipment	7 years
	Other Work Equipment	7 years
	Furniture	10 years
	Office Support Equipment	7 years
	Company Communications Equipment	5 years
	General Purpose Equipment	5 years

\* Denotes Whole Life Rate.

\*\* Denotes composite of digital & DMS.