## THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Andrew J. French, Chairperson

Dwight D. Keen Annie Kuether

In the Matter	of a Ge	eneral Investi	gatio	on Into	)	
Depreciation	Rates	Applicable	to	Rural	)	Docket No. 24-GIMT-459-GI
Incumbent Lo	cal Excl	nange Carrier	s.		)	

## ORDER ADOPTING STAFF'S REPORT AND RECOMMENDATION SETTING DEPRECIATION RATES

This matter comes before the State Corporation Commission of the State of Kansas ("Commission") for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

- 1. On January 4, 2024, the Commission issued its Order Opening General Investigation and Setting Comment Deadlines ("Order") into depreciation rates applicable to Rural Incumbent Local Exchange Carriers ("RLECs"). The genesis of the request is to account for technology changes since the depreciation rates were set more than 20 years ago. The Order provided all interested RLECs 90 days to file comments suggesting specific depreciation rate changes and 180 days for Commission Staff ("Staff") to file responsive comments and recommendations.
- 2. On March 29, 2024, the RLECs requested a 30-day extension, to May 3, 2024, to file their comments, and a corresponding 30-day extension to Staff, to August 1, 2024, to file its comments and recommendations.<sup>4</sup> The Commission granted the RLECs' request on April 4,

<sup>&</sup>lt;sup>1</sup> Order Opening General Investigation and Setting Comment Deadlines (Jan. 4, 2024) ("Order Opening Investigation").

<sup>&</sup>lt;sup>2</sup> Initial Comments of the Rural Local Exchange Carriers, ¶3 (May 24, 2024) ("RELCs Initial Comments")

<sup>&</sup>lt;sup>3</sup> Order Opening Investigation, ¶ 5. A full list of the RELCs can be found on RELCs Initial Comments, p. 1.

<sup>&</sup>lt;sup>4</sup> Motion for Extension of Time to File Comments (Mar. 29, 2024).

2024, setting a new date for the RLECs' comments to be filed by May 3, 2024.<sup>5</sup> The Commission correspondingly extended Staff's deadline for Responsive Comments to August 1, 2024. On May 3, 2024, the RLECs requested a three-week extension, to May 24, 2024, to file their comments. The Commission granted the RLECs' request on May 9, 2024, setting a new date for the RLECs' comments to be filed on May 24, 2024, and additionally extending Staff's deadline for Responsive Comments to August 22, 2024.<sup>6</sup> On August 22, 2024, Staff requested a two-week extension to file their Responsive Comments. The Commission granted Staff's request on August 29, 2024, setting a new date for Staff's comments to be filed by September 5, 2024.<sup>7</sup>

- 3. On May 24, 2024, the RLECs submitted its Comments in the Docket requesting the Commission make the following updates to the RLEC common depreciation schedule: (1) the addition of depreciation rate ranges for fiber optic cable underground, buried, and aerial; (2) the addition of depreciation rate ranges for fixed wireless equipment and towers; and (3) removal of categories of obsolete telecommunications equipment, such as electromechanical switches and payphones.<sup>8</sup> Additionally, the RLECs requested that the Commission confirm the existing process for RLECs requesting approval for the use of a depreciation rate that falls outside of the depreciation schedule's approved range.<sup>9</sup>
- 4. In regard to the depreciations rate ranges for fiber optic cable, the RLECs request that the Commission adopt separate depreciation rates for underground, buried, and aerial fiber optic cables, and that those ranges should take into account the useful life of fiber optic cable.<sup>10</sup> Currently, the RLECs utilize the copper cable depreciation rates as a stand-in; however the

<sup>&</sup>lt;sup>5</sup> Order Granting Motion for Extension of Time to File Comments (Apr. 4, 2024).

<sup>&</sup>lt;sup>6</sup> Order Granting RLECs' Second Motion for Extension of Time to File Comments (May 9, 2024).

<sup>&</sup>lt;sup>7</sup> Order Granting Motion for Extension (Aug. 29, 2024).

<sup>&</sup>lt;sup>8</sup> RLECs Initial Comments, ¶4.

<sup>&</sup>lt;sup>9</sup> *Id*, ¶2.

<sup>&</sup>lt;sup>10</sup> Id, ¶4.

useful lives of copper and fiber optic are different, so it is important to establish separate ranges for each.<sup>11</sup> The RLECs propose the following for fiber cable: (1) for underground a useful life of 18.59 to 30 years, which produces a depreciation range of 3.33 to 5.38%; (2) for buried a useful life of 15 to 25 years, which produces a depreciation range of 4.00 to 6.66%; and (3) aerial a useful life of 5.68 to 20 years, which produces a depreciation range of 5.00 to 17.58%.<sup>12</sup> The RLECs' depreciation rate proposals are based upon the depreciation rates set by the U.S. Department of Agriculture's ("USDA") ReConnect program, and consistent with treatment provided by the U.S. Department of Commerce's National Telecommunications and Information Administration ("NITA").<sup>13</sup>

- 5. Further, the RLECs proposed in their comments that the useful life of Fixed Wireless Equipment be set at a range of 5 to 15 years, which produces a depreciation range of 6.67 to 20%. <sup>14</sup> The RLECs proposed that the useful life of Fixed Wireless Towers be set at a range of 10 to 20 years, which produces a depreciation range of 5.00 to 10.00%. <sup>15</sup> The RLECs stated that these ranges would provide them decision-making flexibility, which is needed to the variety of fixed wireless equipment and towers. <sup>16</sup>
- 6. Due to the rapid technological advances, the RLECs requested that the Commission remove the Electromechanical Switch and Public Telephone Terminal Equipment in the common depreciation schedule as they are now obsolete and no longer utilized by the

<sup>&</sup>lt;sup>11</sup> *Id*, ¶5.

<sup>&</sup>lt;sup>12</sup> *Id*, ¶6, 10.

<sup>&</sup>lt;sup>13</sup> *Id*, ¶8, 12-13.

<sup>&</sup>lt;sup>14</sup> *Id*, ¶14.

<sup>&</sup>lt;sup>15</sup> *Id*, ¶15.

<sup>&</sup>lt;sup>16</sup> *Id.* ¶14-15.

RLECs.<sup>17</sup> However, the RLECs requested the Commission allow an RLEC to continue to apply the existing depreciation rate until the equipment is fully depreciated or removed from service.<sup>18</sup>

7. On September 6, 2024, Staff submitted their Report and Recommendation ("Staff's R&R") recommending the Commission adopt the separate depreciation rate ranges for fiber optic cable, adopt depreciation rates for fixed wireless equipment and fixed towers, and remove depreciation rate ranges for obsolete equipment.<sup>19</sup> After reviewing the RLECs' Comments, supporting documents, and responses to discovery requests, Staff states that the RLECs' proposed depreciation ranges for fiber cable are reasonable, given the existing FCC ranges, the previously approved Commission depreciation ranges, and Staff's expert opinion.<sup>20</sup> Furthermore, Staff conducted an analysis of these changes to estimate the impact the amount of Kansas Universal Service Fund ("KUSF") received by the RLECs.<sup>21</sup> Staff concluded that the changes would affect each of the RLECs differently, but would produce an average approximate increase to KUSF of 8.71%.<sup>22</sup>

8. Additionally, Staff stated that it is reasonable to add the two new categories of Fixed Wireless Equipment and Fixed Wireless Towers due to the change in technology.<sup>23</sup> Based on Staff's review, Staff found that the RLECs proposed depreciation rate changes for Fixed Wireless Equipment is reasonable.<sup>24</sup> However, Staff recommended a depreciation rate range of 4.00 to 6.67% based on a useful life range of 15 to 25 years for Fixed Wireless Towers, based on the review of "The Department of Agriculture, Rural Utilities Service, Publication of

<sup>&</sup>lt;sup>17</sup> *Id*, ¶17.

<sup>&</sup>lt;sup>18</sup> *Id*.

<sup>&</sup>lt;sup>19</sup> Staff's Report and Recommendation (Sep. 6, 2024) (Staff provided an amended Report and Recommendation to correct typographical errors on Sept. 12, 2024). For the purposes of this Order, the original Report and Recommendation and Amended version will be cited as the same.

<sup>&</sup>lt;sup>20</sup> *Id*.

<sup>&</sup>lt;sup>21</sup> *Id*.

<sup>&</sup>lt;sup>22</sup> Id.

<sup>&</sup>lt;sup>23</sup> *Id*.

<sup>&</sup>lt;sup>24</sup> *Id*.

Depreciation Rates for Telecommunications Plant<sup>25</sup> and of both Southern Kansas' and Twin Valley's "consensus that the towers will last 20 years with proper annual maintenance and inspections".<sup>26</sup>

- 9. Lastly, Staff concluded that it is reasonable to remove the Electromechanical Switch and Public Telephone Terminal Equipment categories from the common depreciation schedule as electromechanical switches are no longer in use and very few public pay telephones remain in service.<sup>27</sup>
- 10. After reviewing the RLECs' comments and Staff's Report and Recommendation, the Commission agrees with Staff's recommendations and adopts Staff's Amended Report and Recommendation. The Commission finds that the fiber optic cable and the fixed wireless equipment depreciation rate ranges proposed by the RLECs are just and reasonable. Further, the Commission finds that the Staff's recommended depreciation range of 4.00 to 6.67 % for fixed wireless towers is reasonable.
- Due to the technology changes, the Commission finds that the Electromechanical Switch and Public Telephone Terminal Equipment categories are no longer in use and it is reasonable to remove these categories from the depreciation schedule.
- 12. The Commission finds that due to the changes in the depreciation schedule it would be appropriate and valuable to issue a revised common depreciation schedule with the changes outlined within this Order. A revised common depreciation schedule is attached hereto as "Attachment A". By adopting these ranges, the Commission presumes that an RLEC application for depreciation rates failing within those ranges are reasonable and approved on an

<sup>&</sup>lt;sup>25</sup> Exhibit 2 of Staff's R&R.

<sup>&</sup>lt;sup>26</sup> Staff's Report and Recommendation (Sep. 6, 2024).

<sup>&</sup>lt;sup>27</sup> *Id*.

expedited basis. The RLECs may still file for individual treatment and seek any action they deem appropriate.

#### THEREFORE, THE COMMISSION ORDERS:

A. Staff's Amended Report and Recommendation is adopted and incorporated herein. Staff's Amended Report and Recommendation is attached hereto as "Attachment B".

B. The revised common depreciation schedule is adopted and incorporated herein. The use of the common depreciation schedule allows for reasonable depreciation rates on an expedited basis. The RLECs' may still file for individual treatment and seek any action they deem appropriate.

C. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).<sup>28</sup>

#### BY THE COMMISSION IT IS SO ORDERED.

French,	Chairperson; Keen,	Commissioner; Kuether, Com	missioner.
Dated:	10/01/2024		

ARB

Lynn M. Retz
Executive Director

<sup>&</sup>lt;sup>28</sup> K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-351(b).

#### ATTACHMENT A

#### COMMON DEPRECIATION RATES SCHEDULE – REVISED 2024

ACCOUNT NO.	NAME	LOWER LIMIT (Avg – Stdev)	UPPER LIMIT (Avg + Stdev)
2112	Motor Vehicles	23.25%	26.27%
2115	Garage Equipment	17.17%	19.12%
2116	Other Work Equipment	19.09%	23.98%
2121	Buildings	4.23%	5.02%
2122	Furniture	12.65%	15.57%
2123	Office Equipment	15.92%	18.10%
2124	General Purpose Computers	16.70%	18.57%
2211	Analog Electronic Switch	7.08%	16.16%
2212	Digital Electronic Switch	9.70%	11.58%
2230	Central Office - Transmission	6.38%	15.53%
2230.1	Fixed Wireless Equipment	6.67%	20.00%
2231	Radio Systems	7.43%	14.28%
2232	Circuit Equipment	7.57%	16.00%
2311	Station Apparatus	12.83%	22.18%
2321	Customer Premises Wiring	6.93%	14.07%
2411	Poles	11.49%	15.81%
2411.1	Fixed Wireless Towers	4.00%	6.67%
2421.1	Aerial Cable - Metallic (Copper)	8.87%	17.58%
2421.2	Aerial Cable - Non-Metallic (Fiber)	5.00%	17.58%
2422.1	Underground Cable - Metallic (Copper)	5.17%	5.38%
2422.2	Underground Cable - Non- Metallic (Fiber)	3.33%	5.38%
2423.1	Buried Cable - Metallic (Copper)	5.15%	5.68%
2423.2	Buried Cable - Non-Metallic (Fiber)	4.00%	6.66%
2431	Aerial Wire	10.12%	20.00%
2441	Conduit Systems	5.75%	6.48%

#### ATTACHMENT B

## BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter	of a Go	eneral Investi	gatio	on into	)	
Depreciation	Rates	Applicable	to	Rural	)	Docket No. 24-GIMT-459-GIT
Incumbent Lo	cal Excl	nange Carrier	S		)	

#### NOTICE OF FILING OF STAFF'S AMENDED REPORT AND RECOMMENDATION

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), and files an amended Report and Recommendation regarding its comments on depreciation rates applicable to Rural Incumbent Local Exchange Carriers ("RLECs").

Staff initially filed a Report and Recommendation on September 6, 2024. After making the filing, Staff discovered some numerical errors in one of its tables. The instant filing includes a redline and clean copy of the Report and Recommendation to show the revisions made.

WHEREFORE, Staff submits its Amended Report and Recommendation for Commission review and consideration and for such other relief as the Commission deems just and reasonable.

Respectfully submitted,

[s] Carly R. Masenthin

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Laura Kelly, Governor

Andrew J. French, Chairperson Dwight D. Keen, Commissioner Annie Kuether, Commissioner

## AMENDED REPORT AND RECOMMENDATION UTILITIES DIVISION

TO:

Chairperson Andrew J. French

Commissioner Dwight D. Keen Commissioner Annie Kuether

FROM:

Katie Figgs, Managing Auditor

Roxie McCullar, Consultant

Chad Unrein, Chief of Account and Financial Analysis

Justin Grady, Deputy Director of Utilities Jeff McClanahan, Director of Utilities

DATE:

September 12, 2024

**SUBJECT:** 

Docket No. 24-GIMT-459-GIT: In the Matter of a General Investigation into

Depreciation Rates Applicable to Rural Incumbent Local Exchange Carriers.

#### **EXECUTIVE SUMMARY:**

On January 4, 2024, the Commission issued an Order Opening General Investigation and Setting Comment Deadlines regarding depreciation rates applicable to Rural Incumbent Local Exchange Carriers (RLECs). The current depreciation rates applied to the RLEC's intrastate telecommunications property, plant, and equipment were adopted over 25 years ago. Subsequently, there have been many developments in the technology and equipment that is utilized by the RLEC's to deliver communications services to customers.

<sup>&</sup>lt;sup>1</sup> The "RLECs" include the following companies: Blue Valley Tele-Communications, Inc., Columbus Communications Services, LLC, Craw-Kan Telephone Cooperative, Inc., Cunningham Telephone Co., Inc., Golden Belt Telephone Association, Inc., Gorham Telephone Co., Inc., H&B Communications, Inc., Haviland Telephone Co., Inc., Home Telephone Co., Inc., Ban Telephone Company, Inc., KanOkla Telephone Association, LaHarpe Telephone Co., Inc., Madison Telephone, LLC, Moundridge Telephone Co., Inc., Peoples Telecommunications, LLC, Pioneer Telephone Association, Inc., Rainbow Telecommunications Association, Inc., Rural Telephone Service Co., Inc. d/b/a Nex-Tech, S&A Telephone Co., LLC, S&T Telephone Cooperative Association, Inc., South Central Telephone Association, Inc., Southern Kansas Telephone Co., Inc., Totah Communications, Inc., Tri-County Telephone Association, Inc., Twin Valley Telephone, Inc., United Telephone Association, Inc., Wamego Telecommunications Co., Inc., Wilson Telephone Co., Inc., and Zenda Telephone Co., Inc.

#### **BACKGROUND:**

On September 29, 2023, both Twin Valley Telephone, Inc. (Twin Valley) and The Southern Kansas Telephone Company, Inc. (Southern Kansas) filed identical applications requesting Commission approval of a depreciation rate for Fixed Wireless Equipment and Towers (Docket Nos. 24-TWVT-300-DRS and 24-SKNT-299-DRS respectively). Neither asset class had previously been included in the Commission's schedule of acceptable depreciation rates from Docket No. 94-GIMT-082-DRS, nor has the Federal Communications Commission (FCC) determined an appropriate depreciation rate for these assets.

On November 3, 2023, Staff of the State Corporation Commission of the State of Kansas (Staff), filed a Report and Recommendation (R&R) in both dockets. Staff recommended approval of a 5% depreciation rate for Towers.<sup>2</sup> Staff further recommended approval of a rate of 14.28% for Fixed Wireless Equipment.<sup>3</sup> Staff further pointed out that Rural Incumbent Local Exchange Carriers' (RLECs) current depreciation rates were set more than 25 years ago and recommended that these new rates be set on an interim basis until the Commission could evaluate a more complete general investigation into depreciation rates which would be applicable to all RLECs.<sup>4</sup>

On December 28, 2023, the Commission adopted Staffs R&R and stated its intention to open a general investigation into depreciation rates for RLECs.<sup>5</sup> Subsequently, the Commission opened a general investigation into depreciation rates applicable to Rural Incumbent Local Exchange Carriers.

On May 24, 2024, the rural incumbent local exchange carriers ("RLECs") filed Comments requesting updates to the current depreciation schedules. The RLECs requested: "(1) the addition of depreciation rate ranges for fiber optic cable – underground, buried, and aerial; (2) the addition of depreciation rate ranges for fixed wireless equipment and towers used to provide fixed wireless service; and (3) the removal of categories of obsolete telecommunications equipment, such as electromechanical switches and payphones."

#### **ANALYSIS:**

Staff has reviewed the RLECs Comments, supporting documents, and responses to discovery requests. Based on this review Staff concludes the following:

## (1) Separate Depreciation Rate Ranges for Underground, Buried, and Aerial Fiber Optic Cable

The RLECs Comments request a separate depreciation rate range be adopted for underground, buried, and aerial fiber optic cables.

#### (A) Current Depreciation Ranges (Copper and Fiber Combined)

<sup>&</sup>lt;sup>2</sup> Staff Report and Recommendation, pg. 3 (November 3, 2023).

 $<sup>^{3}</sup>$  *Id.* at 2.

<sup>&</sup>lt;sup>4</sup> *Id*.

<sup>&</sup>lt;sup>5</sup> Order adopting Staff's Report and Recommendation, setting interim rates, pg. 3 (December 28, 2023).

<sup>&</sup>lt;sup>6</sup> Comments of the Rural Incumbent Local Exchange Carriers, paragraph 2.

The current KCC approved depreciation ranges do not separate depreciation range for telephone cable between metallic (copper) and non-metallic (fiber).<sup>7</sup>

COPPER CABLE DEPRECIATION RANGES ADOPTED BY KCC						
	Depreciation	Rate	Projection 1	Life (Years)		
Depreciation Rate Category	Lower Limit	Upper Limit	Low	High		
Aerial Cable – Metallic	8.87%	17.58%	5.68	11.27		
Underground Cable – Metallic	5.17%	5.38%	18.58	19.34		
Buried Cable – Metallic	5.15%	5.68%	17.61	19.41		

#### (B) Proposed Depreciation Ranges (Separated)

The FCC depreciation ranges separate telephone cable between metallic (copper) and non-metallic (fiber). Staff contends that it is reasonable for the KCC to also adopt separate ranges for metallic (copper) and non-metallic (fiber).

The RLECs proposed depreciation ranges are based on depreciation rates set by the USDA for the ReConnect Program. Attached as Exhibit 1 are the referenced ReConnect Program depreciation rates.

Staff's opinion is that the RLECs proposed depreciation ranges for fiber cable are reasonable, given the existing FCC ranges, the previously approved KCC depreciation rate ranges, and Staff's expert opinion on depreciation matters.

FIBER CABLE DEPRECIATION RANGES PROPOSED BY RLECs					
	Depreciation	Rate	Projection	n Life (Years)	
Depreciation Rate Category	Lower Limit	Upper Limit	Low	High	
Aerial Cable – Non-Metallic	5.00%	17.58%	5.68	20.00	
Underground Cable – Non-Metallic	3.33%	5.38%	18.59	30.00	
Buried Cable – Non-Metallic	4.00%	6.66%	15.00	25.00	

#### (C) Revenue Requirement Impact Analysis

In order to gain a better understanding on how this proposal would impact the amount of Kansas Universal Service Fund (KUSF) received by the RLECs, Staff conducted an analysis of these changes on several of the most recently completed KUSF filings before the Commission. In doing so, Staff changed the depreciation rate to the upper limit proposed by the RLECs and then applied it to the applicable accounts calculating the estimated change in depreciation expense. Staff then input the estimated change to depreciation expense into Staff's schedules to calculate the effect on the amount of KUSF received. The following chart depicts the estimated changes:

<sup>&</sup>lt;sup>7</sup> December 16, 1996 Order in Docket No. 94-GIMT-082-DRS.

<sup>&</sup>lt;sup>8</sup> FCC 94-174 in CC Docket 92-296 (adopted June 22, 2994), FCC 95-181 in CC Docket 92-296 (adopted May 2, 1995), and FCC 99-397 in CC Docket 98-137 (adopted December 17, 1999).

<sup>&</sup>lt;sup>9</sup> The RLEC's are proposing to adjust the lower limits for each account and the upper limit to only one of the accounts. Staff's analysis assumes the upper limit will be utilized by each RLEC with the exception of Totah.

Company	Approximate Percentage Increase to KUSF <sup>10</sup>
Totah	8.22%11
South Central	7.32%
Craw-Kan	10.58%
Average	8.71%

The impact of these changes to depreciation rates will effect each of the RLECs differently, depending on the depreciation rate chosen from the approved depreciation rate range and the amount of aerial cable, underground cable, and buried cable included in plant in service.

#### (2) Add Depreciation Rate Ranges for Fixed Wireless Equipment and Fixed Wireless Towers

The RLECs Comments request two new depreciation rate ranges be added for Fixed Wireless Equipment and Fixed Wireless Towers. The request is due to the changes in technology that have occurred since the KCC set the current depreciation rate ranges. The Fixed Wireless Equipment and Fixed Wireless Towers are used to provide service to "customers located in remote and hard to reach areas." <sup>12</sup>

Due to the change in technology since the current KCC depreciation rate ranges were adopted, it is reasonable to add the two new categories requested by the RLECs. Adding these new categories are unlikely to significantly affect the amount of KUSF received by each RLEC due to the non-regulated designation typically applied to these asset categories.

#### (A) Fixed Wireless Equipment Depreciation Rate Ranges

The RLECs Comments propose a depreciation rate range of 6.67% to 20% based on a useful life range of 5 to 15 years for fixed wireless equipment.

In response to discovery, the RLECs that use fixed wireless equipment provided a list of equipment that is used to provide "Access Points/Radio Access Networks", "Base Node or tower equipment", "Remote Node or customer premise equipment", "Access Point or tower equipment", and "Subscriber Module or customer premise equipment". 13

<sup>&</sup>lt;sup>10</sup> Staff's calculations detailed in the table are calculated based on its Commission-approved unadjusted FY 28 Annual KUSF support effective June 2024 – February 2025 in Docket No. 24-GIMT-229-GIT. Staff would note that the percentage increase in KUSF support does not take into account any prorated adjustments to the RLEC's KUSF support, as the total KUSF funding exceeds the Kansas statuary cap of \$30 million.

<sup>&</sup>lt;sup>11</sup> Totah's Account No. 2423 Buried Cable in the amount of \$16,276,209 is approximately 83% of Totah's plant in service of \$19,485,661. For that account, Totah currently utilizes 5.49% depreciation rate which is within the 50<sup>th</sup> percentile of the current approved range. For this analysis, Staff applied 5.995% depreciation rate which falls within the 75<sup>th</sup> percentile of the recommended range. Staff chose to use this depreciation rate for Totah instead of the upper most limit due to the Company not currently utilizing the upper limit.

<sup>&</sup>lt;sup>12</sup> Comments of the Rural Incumbent Local Exchange Carriers, paragraph 11.

<sup>&</sup>lt;sup>13</sup> Haviland Telephone Co., JBN Telephone Co., Southern Kansas Telephone Company, and Twin Valley Inc. responses to Staff Data Request No. 1(a).

Information provided in the discovery responses indicates that one manufacturer expects that for some of the equipment a 7-year economic useful life would not be unreasonable, and it is possible that some of the equipment is still in use after 14 years.<sup>14</sup>

Based on the review of the RLECs Comments, supporting documents, and responses to discovery requests the RLECs proposed depreciation rate range for fixed wireless equipment is reasonable.

#### (B) Fixed Wireless Towers Depreciation Rate Ranges

The RLECs Comments propose a depreciation rate range of 5% to 10% based on a useful life range of 10 to 20 years for fixed wireless towers.

Based on the information provided Staff recommends a depreciation rate range of 4% to 6.67% based on a useful life range of 15 to 25 years.

Footnote 6 on page 5 of the RLECs Comments reference "The Department of Agriculture, Rural Utilities Service, Publication of Depreciation Rates for Telecommunications Plant, 88 Fed. Reg. 78,719 (Nov. 16, 2023), attached as Exhibit 2.

Looking at the "Median Depreciation Rates" on page 2 of Exhibit 2 shows a "median depreciation rate" of 5% for Towers. The median 5% depreciation rate indicates a median life of 20 years.

Of the three companies that own fixed wireless towers, Haviland did not have information on their towers due to their age, and both Southern Kansas and Twin Valley stated that "the consensus is that they will last 20 years with proper annual maintenance and inspections." <sup>15</sup>

Based on the information reviewed, it is reasonable to set the range with the median useful life of 20 years, which would be a range of 4% to 6.67%.

#### (3) Remove Electromechanical Switch and Public Telephone Depreciation Rates

The RLECs Comments request the Commission clean up the depreciation schedule by removing the Electromechanical Switch and Public Telephone Terminal Equipment. Electromechanical Switch are no longer in use and very few public pay telephones remain in service.

Due to the change in technology since the current KCC depreciation rate ranges were adopted, it is reasonable to remove these categories from the depreciation schedules.

#### **RECOMMENDATION:**

Staff recommends the Commission approve the following:

- (1) The request to adopt separate depreciation rate ranges for fiber optic cable and the depreciation rate ranges proposed are reasonable.
- (2) The request to adopt depreciation rate for fixed wireless equipment and fixed wireless towers is reasonable. The requested depreciation rate range of 6.67% to 20% for fixed wireless equipment is reasonable. However, Staff recommends a depreciation rate range of 4% to 6.67% for fixed wireless towers.
- (3) The request to remove depreciation rate ranges for obsolete equipment is reasonable.

<sup>&</sup>lt;sup>14</sup> Haviland Telephone Co. response to Staff Data Request No. 1(b).

<sup>&</sup>lt;sup>15</sup> Haviland Telephone Co., Southern Kansas Telephone Company, and Twin Valley Inc. responses to Staff Data Request No. 2.





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Laura Kelly, Governor

Andrew J. French, Chairperson Dwight D. Keen, Commissioner Annie Kuether, Commissioner

## AMENDED REPORT AND RECOMMENDATION UTILITIES DIVISION

TO:

Chairperson Andrew J. French Commissioner Dwight D. Keen

Commissioner Annie Kuether

FROM:

Katie Figgs, Managing Auditor

Roxie McCullar, Consultant

Chad Unrein, Chief of Account and Financial Analysis

Justin Grady, Deputy Director of Utilities Jeff McClanahan, Director of Utilities

DATE:

September 12 6, 2024

**SUBJECT:** 

Docket No. 24-GIMT-459-GIT: In the Matter of a General Investigation into Depreciation Rates Applicable to Rural Incumbent Local Exchange Carriers.

#### **EXECUTIVE SUMMARY:**

On January 4, 2024, the Commission issued an Order Opening General Investigation and Setting Comment Deadlines regarding depreciation rates applicable to Rural Incumbent Local Exchange Carriers (RLECs). The current depreciation rates applied to the RLEC's intrastate telecommunications property, plant, and equipment were adopted over 25 years ago. Subsequently, there have been many developments in the technology and equipment that is utilized by the RLEC's to deliver communications services to customers.

<sup>&</sup>lt;sup>1</sup> The "RLECs" include the following companies: Blue Valley Tele-Communications, Inc., Columbus Communications Services, LLC, Craw-Kan Telephone Cooperative, Inc., Cunningham Telephone Co., Inc., Golden Belt Telephone Association, Inc., Gorham Telephone Co., Inc., H&B Communications, Inc., Haviland Telephone Co., Inc., Home Telephone Co., Inc. JBN Telephone Company, Inc., KanOkla Telephone Association, LaHarpe Telephone Co., Inc., Madison Telephone, LLC, Moundridge Telephone Co., Inc., Peoples Telecommunications, LLC, Pioneer Telephone Association, Inc., Rainbow Telecommunications Association, Inc., Rural Telephone Service Co., Inc. d/b/a Nex-Tech, S&A Telephone Co., LLC, S&T Telephone Cooperative Association, Inc., South Central Telephone Association, Inc., Southern Kansas Telephone Co., Inc., Totah Communications, Inc., Tri-County Telephone Association, Inc., Twin Valley Telephone, Inc., United Telephone Association, Inc., Wamego Telecommunications Co., Inc., Wilson Telephone Co., Inc., and Zenda Telephone Co., Inc.

#### **BACKGROUND:**

On September 29, 2023, both Twin Valley Telephone, Inc. (Twin Valley) and The Southern Kansas Telephone Company, Inc. (Southern Kansas) filed identical applications requesting Commission approval of a depreciation rate for Fixed Wireless Equipment and Towers (Docket Nos. 24-TWVT-300-DRS and 24-SKNT-299-DRS respectively). Neither asset class had previously been included in the Commission's schedule of acceptable depreciation rates from Docket No. 94-GIMT-082-DRS, nor has the Federal Communications Commission (FCC) determined an appropriate depreciation rate for these assets.

On November 3, 2023, Staff of the State Corporation Commission of the State of Kansas (Staff), filed a Report and Recommendation (R&R) in both dockets. Staff recommended approval of a 5% depreciation rate for Towers.<sup>2</sup> Staff further recommended approval of a rate of 14.28% for Fixed Wireless Equipment.<sup>3</sup> Staff further pointed out that Rural Incumbent Local Exchange Carriers' (RLECs) current depreciation rates were set more than 25 years ago and recommended that these new rates be set on an interim basis until the Commission could evaluate a more complete general investigation into depreciation rates which would be applicable to all RLECs.<sup>4</sup>

On December 28, 2023, the Commission adopted Staffs R&R and stated its intention to open a general investigation into depreciation rates for RLECs.<sup>5</sup> Subsequently, the Commission opened a general investigation into depreciation rates applicable to Rural Incumbent Local Exchange Carriers.

On May 24, 2024, the rural incumbent local exchange carriers ("RLECs") filed Comments requesting updates to the current depreciation schedules. The RLECs requested: "(1) the addition of depreciation rate ranges for fiber optic cable – underground, buried, and aerial; (2) the addition of depreciation rate ranges for fixed wireless equipment and towers used to provide fixed wireless service; and (3) the removal of categories of obsolete telecommunications equipment, such as electromechanical switches and payphones."

#### **ANALYSIS:**

Staff has reviewed the RLECs Comments, supporting documents, and responses to discovery requests. Based on this review Staff concludes the following:

## (1) Separate Depreciation Rate Ranges for Underground, Buried, and Aerial Fiber Optic Cable

The RLECs Comments request a separate depreciation rate range be adopted for underground, buried, and aerial fiber optic cables.

#### (A) Current Depreciation Ranges (Copper and Fiber Combined)

<sup>&</sup>lt;sup>2</sup> Staff Report and Recommendation, pg. 3 (November 3, 2023).

<sup>&</sup>lt;sup>3</sup> *Id.* at 2.

<sup>4</sup> *Id* 

<sup>&</sup>lt;sup>5</sup> Order adopting Staff's Report and Recommendation, setting interim rates, pg. 3 (December 28, 2023).

<sup>&</sup>lt;sup>6</sup> Comments of the Rural Incumbent Local Exchange Carriers, paragraph 2.

The current KCC approved depreciation ranges do not separate depreciation range for telephone cable between metallic (copper) and non-metallic (fiber).<sup>7</sup>

COPPER CABLE DEPRECIATION RANGES ADOPTED BY KCC						
	Depreciation	Rate	Projection ?	Life (Years)		
Depreciation Rate Category	Lower Limit	Upper Limit	Low	High		
Aerial Cable – Metallic	8.87%	17.58%	5.68	11.27		
Underground Cable – Metallic	5.17%	5.38%	18.58	19.34		
Buried Cable – Metallic	5.15%	5.68%	17.61	19.41		

#### (B) Proposed Depreciation Ranges (Separated)

The FCC depreciation ranges separate telephone cable between metallic (copper) and non-metallic (fiber). Staff contends that it is reasonable for the KCC to also adopt separate ranges for metallic (copper) and non-metallic (fiber).

The RLECs proposed depreciation ranges are based on depreciation rates set by the USDA for the ReConnect Program. Attached as Exhibit 1 are the referenced ReConnect Program depreciation rates.

Staff's opinion is that the RLECs proposed depreciation ranges for fiber cable are reasonable, given the existing FCC ranges, the previously approved KCC depreciation rate ranges, and Staff's expert opinion on depreciation matters.

FIBER CABLE DEPRECIATION R	ANGES PROF	POSED BY RL	ECs	
	Depreciation	Rate	Projectio	n Life (Years)
Depreciation Rate Category	Lower Limit	Upper Limit	Low	High
	~ o o o o	1.7.5007	5.60	20.00
Aerial Cable – Non-Metallic	5.00%	17.58%	5.68	20.00
Underground Cable – Non-Metallic	3.33%	5.38%	18.59	30.00
Buried Cable – Non-Metallic	4.00%	6.66%	15.00	25.00

#### (C) Revenue Requirement Impact Analysis

In order to gain a better understanding on how this proposal would impact the amount of Kansas Universal Service Fund (KUSF) received by the RLECs, Staff conducted an analysis of these changes on several of the most recently completed KUSF filings before the Commission. In doing so, Staff changed the depreciation rate to the upper limit proposed by the RLECs and then applied it to the applicable accounts calculating the estimated change in depreciation expense. Staff then input the estimated change to depreciation expense into Staff's schedules to calculate the effect on the amount of KUSF received. The following chart depicts the estimated changes:

<sup>&</sup>lt;sup>7</sup> December 16, 1996 Order in Docket No. 94-GIMT-082-DRS.

<sup>&</sup>lt;sup>8</sup> FCC 94-174 in CC Docket 92-296 (adopted June 22, 2994), FCC 95-181 in CC Docket 92-296 (adopted May 2, 1995), and FCC 99-397 in CC Docket 98-137 (adopted December 17, 1999).

<sup>&</sup>lt;sup>9</sup> The RLEC's are proposing to adjust the lower limits for each account and the upper limit to only one of the accounts. Staff's analysis assumes the upper limit will be utilized by each RLEC with the exception of Totah.

Company	Approximate Percentage Increase to KUSF <sup>10</sup>
Totah	14. <del>73</del> 8.22% <sup>11</sup>
South Central	<del>8.24</del> <u>7.32</u> %
Craw-Kan	<del>22.90</del> 10.58%
Average	<del>15.29</del> 8.71%

The impact of these changes to depreciation rates will effect each of the RLECs differently, depending on the depreciation rate chosen from the approved depreciation rate range and the amount of aerial cable, underground cable, and buried cable included in plant in service.

#### (2) Add Depreciation Rate Ranges for Fixed Wireless Equipment and Fixed Wireless Towers

The RLECs Comments request two new depreciation rate ranges be added for Fixed Wireless Equipment and Fixed Wireless Towers. The request is due to the changes in technology that have occurred since the KCC set the current depreciation rate ranges. The Fixed Wireless Equipment and Fixed Wireless Towers are used to provide service to "customers located in remote and hard to reach areas."

Due to the change in technology since the current KCC depreciation rate ranges were adopted, it is reasonable to add the two new categories requested by the RLECs. Adding these new categories are unlikely to significantly affect the amount of KUSF received by each RLEC due to the non-regulated designation typically applied to these asset categories.

#### (A) Fixed Wireless Equipment Depreciation Rate Ranges

The RLECs Comments propose a depreciation rate range of 6.67% to 20% based on a useful life range of 5 to 15 years for fixed wireless equipment.

In response to discovery, the RLECs that use fixed wireless equipment provided a list of equipment that is used to provide "Access Points/Radio Access Networks", "Base Node or tower equipment", "Remote Node or customer premise equipment", "Access Point or tower equipment", and "Subscriber Module or customer premise equipment".<sup>13</sup>

<sup>&</sup>lt;sup>10</sup> Staff's calculations detailed in the table are calculated based on its Commission-approved unadjusted FY 28

Annual KUSF support effective June 2024 – February 2025 in Docket No. 24-GIMT-229-GIT. Staff would note that the percentage increase in KUSF support does not take into account any prorated adjustments to the RLEC's KUSF support, as the total KUSF funding exceeds the Kansas statuary cap of \$30 million.

Totah's Account No. 2423 Buried Cable in the amount of \$16,276,209 is approximately 83% of Totah's plant in service of \$19,485,661. For that account, Totah currently utilizes 5.49% depreciation rate which is within the 50<sup>th</sup> percentile of the current approved range. For this analysis, Staff applied 5.995% depreciation rate which falls within the 75<sup>th</sup> percentile of the recommended range. Staff chose to use this depreciation rate for Totah instead of the upper most limit due to the Company not currently utilizing the upper limit.

<sup>&</sup>lt;sup>12</sup> Comments of the Rural Incumbent Local Exchange Carriers, paragraph 11.

<sup>&</sup>lt;sup>13</sup> Haviland Telephone Co., JBN Telephone Co., Southern Kansas Telephone Company, and Twin Valley Inc. responses to Staff Data Request No. 1(a).

Information provided in the discovery responses indicates that one manufacturer expects that for some of the equipment a 7-year economic useful life would not be unreasonable, and it is possible that some of the equipment is still in use after 14 years.<sup>14</sup>

Based on the review of the RLECs Comments, supporting documents, and responses to discovery requests the RLECs proposed depreciation rate range for fixed wireless equipment is reasonable.

#### (B) Fixed Wireless Towers Depreciation Rate Ranges

The RLECs Comments propose a depreciation rate range of 5% to 10% based on a useful life range of 10 to 20 years for fixed wireless towers.

Based on the information provided Staff recommends a depreciation rate range of 4% to 6.67% based on a useful life range of 15 to 25 years.

Footnote 6 on page 5 of the RLECs Comments reference "The Department of Agriculture, Rural Utilities Service, Publication of Depreciation Rates for Telecommunications Plant, 88 Fed. Reg. 78,719 (Nov. 16, 2023), attached as Exhibit 2.

Looking at the "Median Depreciation Rates" on page 2 of Exhibit 2 shows a "median depreciation rate" of 5% for Towers. The median 5% depreciation rate indicates a median life of 20 years.

Of the three companies that own fixed wireless towers, Haviland did not have information on their towers due to their age, and both Southern Kansas and Twin Valley stated that "the consensus is that they will last 20 years with proper annual maintenance and inspections." <sup>15</sup>

Based on the information reviewed, it is reasonable to set the range with the median useful life of 20 years, which would be a range of 4% to 6.67%.

#### (3) Remove Electromechanical Switch and Public Telephone Depreciation Rates

The RLECs Comments request the Commission clean up the depreciation schedule by removing the Electromechanical Switch and Public Telephone Terminal Equipment. Electromechanical Switch are no longer in use and very few public pay telephones remain in service.

Due to the change in technology since the current KCC depreciation rate ranges were adopted, it is reasonable to remove these categories from the depreciation schedules.

#### **RECOMMENDATION:**

Staff recommends the Commission approve the following:

- (1) The request to adopt separate depreciation rate ranges for fiber optic cable and the depreciation rate ranges proposed are reasonable.
- (2) The request to adopt depreciation rate for fixed wireless equipment and fixed wireless towers is reasonable. The requested depreciation rate range of 6.67% to 20% for fixed wireless equipment is reasonable. However, Staff recommends a depreciation rate range of 4% to 6.67% for fixed wireless towers.
- (3) The request to remove depreciation rate ranges for obsolete equipment is reasonable.

<sup>&</sup>lt;sup>14</sup> Haviland Telephone Co. response to Staff Data Request No. 1(b).

<sup>&</sup>lt;sup>15</sup> Haviland Telephone Co., Southern Kansas Telephone Company, and Twin Valley Inc. responses to Staff Data Request No. 2.



# ReConnect Program Construction Procedures Version 2.0 – February 2020

Rural Utilities Service Telecommunications Program

## Addendum to ReConnect Program Construction Procedures

#### **Depreciation Rates**

Code	Group	Letter	Туре	Rate (%)
1000	1. Network & Access Equipment	a.	Switching Equipment	9.30
1001	1. Network & Access Equipment	b.	Routing Equipment	10.00
1002	1. Network & Access Equipment	c.	Transport Equipment	10.00
1003	1. Network & Access Equipment	d.	Access Equipment	10.00
1004	1. Network & Access Equipment	e.	Video Equipment	9.61
1005	1. Network & Access Equipment	f.	Power Equipment	10.00
1006	1. Network & Access Equipment	g.	Satellite Equipment	9.26
1007	1. Network & Access Equipment	h.	Other (specify)	10.00
2000	2. Outside Plant	a.	Copper Cable - Aerial	6.00
2001	2. Outside Plant	b.	Copper Cable - Buried	5.28
2002	2. Outside Plant	c.	Copper Cable - Underground	5.00
2003	2. Outside Plant	d.	Coaxial Cable - Aerial	6.00
2004	2. Outside Plant	e.	Coaxial Cable - Buried	5.28
2005	2. Outside Plant	f.	Coaxial Cable - Underground	5.00
2006	2. Outside Plant	g.	Fiber Cable - Aerial	5.10
2007	2. Outside Plant	h.	Fiber - Buried	5.00
2008	2. Outside Plant	i.	Fiber - Underground Cable	5.00
2009	2. Outside Plant	j.	Fiber - Submarine Cable	5.00
2010	2. Outside Plant	k.	Conduit Systems	4.00
2011	2. Outside Plant	l.	Ducts (Vacant)	5.00
2012	2. Outside Plant	m.	Drops	5.00
2013	2. Outside Plant	n.	Cabinets/underground vaults	5.00
2014	2. Outside Plant	0.	Poles	5.00
2015	2. Outside Plant	p.	Make-ready	5.00
2016	2. Outside Plant	q.	Other (specify)	5.00
3000	3. Buildings	a.	New Construction	3.30
3001	3. Buildings	b.	Pre-Fab Huts	3.30
3002	3. Buildings	C.	Improvements	3.30
3003	3. Buildings	d.	Other (specify)	3.30
				. ::

Code	Group	Letter	Туре	Rate (%)
4001	4. Towers	a.	Guyed Towers	5.00
4002	4. Towers	b.	Lattice Towers	5.00
4003	4. Towers	c.	Monopole/Self-Supporting Tower	5.00
4004	4. Towers	d.	Wood poles	5.00
4005	4. Towers	e.	Improvements	5.00
4006	4. Towers	f.	Other (specify)	5.00
5000	5. Customer Premises Equipment	a.	Video Set Top Boxes	12.00
5001	5. Customer Premises Equipment	b.	Modems and Routers	12.00
5002	5. Customer Premises Equipment	c.	Inside Wiring	10.40
5003	5. Customer Premises Equipment	d.	Multi-Terminal Adapter (VoIP)	11.33
5004	5. Customer Premises Equipment	e.	Smart Meters	11.00
5005	5. Customer Premises Equipment	f.	Other (specify)	12.00
6000	6. Support Assets	a.	Construction Vehicles	10.00
6001	6. Support Assets	b.	Construction Equipment	10.00
6002	6. Support Assets	c.	Motor Vehicles	17.00
6003	6. Support Assets	d.	Special Purpose Vehicles	11.40
6004	6. Support Assets	e.	Office Equipment	10.00
6005	6. Support Assets	f.	Office Furniture	10.00
6006	6. Support Assets	g.	Billing System	20.00
6007	6. Support Assets	h.	Test Equipment	10.00
6008	6. Support Assets	i.	Portable Generators	10.00
6009	6. Support Assets	j.	Tools	10.00
6010	6. Support Assets	k.	Other (specify)	10.00

We are also notifying the public that the stockyards listed in the following table meet the P&S Act's definition of a stockyard and, therefore, we have posted these stockyards. On May 14, 2020, we published a notice in the Federal Register (85 FR 28928) proposing to post these 10 stockyards. Since we received no comments to our proposal, we assigned the stockyards a facility number and notified the owners of the stockyard facilities. Posting

notices were sent to each stockyard owner to display in public areas of their stockyard. The table below reflects the date of posting for these stockyards.

Facility No.	Stockyard name and location	Date of posting
NY-179 OK-266 OK-227 TX-358 TX-359 PA-164 KY-190 FL-141	Davis Livestock Sales, Inc., Gouverneur, New York Argyle Livestock Station, LLC, Argyle, New York Geary Livestock Market, LLC, Geary, Oklahoma McDaniel Livestock Exchange LLC, Valliant, Oklahoma Mort Livestock Exchange, Canton, Texas Amarillo West Stockyards LLC, Wildorado, Texas Double E. Auction Service LLC, Quarryville, Pennsylvania Triple C. Auctions, Ewing, Kentucky Cattleman's Market of Okeechobee LLC, Okeechobee, Florida Bismarck Livestock Auction, LLC, Bismarck, North Dakota	07/17/2020 07/15/2020

Authority: 7 U.S.C. 202.

#### Erin Morris,

Associate Administrator, Agricultural Marketing Service.

[FR Doc. 2023–25248 Filed 11–15–23; 8:45 am] BILLING CODE 3410–02–P

#### **DEPARTMENT OF AGRICULTURE**

#### Submission for OMB Review; Comment Request

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104-13. Comments are requested regarding; whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Comments regarding this information collection received by December 18, 2023 will be considered. Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day"

Review—Open for Public Comments" or by using the search function.

An agency may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number, and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

#### Animal and Plant Health Inspection Service

Title: National Veterinary Accreditation Program Application Form.

OMB Control Number: 0579–0297. Summary of Collection: The Animal Health Protection Act, (APHA) of 2002 is the primary Federal law governing the protection of animal health. The APHA is contained in 7 U.S.C. 8301, et seq., and were created the Farm Security and Rural Investment Act of 2002. The law gives the Secretary of Agriculture broad authority to detect, control, or eradicate pests or diseases of livestock or poultry. The Animal and Plant Health Inspection Service (APHIS) is the agency charged with carrying out this disease prevention mission. For APHIS to conduct all its disease prevention tasks, it utilizes APHIS-certified private veterinarians to work cooperatively with Federal and State animal health authorities on the Agency's behalf. These veterinarians obtain their certification through the APHIS National Veterinary Accreditation Program (NVAP) which has an application and renewal process.

Need and Use of the Information: APHIS will use VS form 1–36A, National Veterinary Accreditation Program Application Form to collect information to certify private veterinarians to work Federal and State animal health authorities to prevent disease and carry out disease surveillance on USDA's behalf. Applicants may appeal denial, revocation, or suspension of accredited status. The written appeal is prepared in letter format and signed by the denied veterinarian. If information from accredited veterinarians was collected less frequently or not collected, APHIS would lose access to professional and demographic data for more than 70,000 cooperators, and APHIS coverage of veterinary, plant, and agricultural activities would be proportionately reduced.

Description of Respondents: Business or other for-profit.

Number of Respondents: 24,820. Frequency of Responses: Reporting: On occasion.

Total Burden Hours: 9,929.

#### Ruth Brown,

Departmental Information Collection Clearance Officer.

[FR Doc. 2023–25302 Filed 11–15–23; 8:45 am]

#### **DEPARTMENT OF AGRICULTURE**

#### **Rural Utilities Service**

[Docket No. RUS-23-Telecom-0023]

#### Publication of Depreciation Rates for Telecommunications Plant

AGENCY: Rural Utilities Service, USDA. ACTION: Notice.

SUMMARY: The United States Department of Agriculture (USDA) Rural Utilities Service (RUS) administers rural utilities programs, including the Telecommunications Program. Through this notice, RUS is announcing the

depreciation rates for telecommunication/broadband facilities and a new process for providing these rates going forward.

DATES: These rates are effective immediately and will remain in effect until superseded by subsequent rates as identified in the SUPPLEMENTARY INFORMATION section below. These rates are to be used in applying for financial assistance from RUS.

FOR FURTHER INFORMATION CONTACT: Laurel Leverrier, Assistant

Administrator, Telecommunications Program, Rural Utilities Service, STOP 1590—Room 4121, 1400 Independence Avenue SW, Washington, DC 20250— 1590. Telephone: (202) 720—9556.

SUPPLEMENTARY INFORMATION: RUS is publishing its median depreciation rates for telecommunication/broadband facilities. If an applicant for RUS financial assistance does not have depreciation rates approved by their respective Public Utilities Commission (PUC) or equivalent, these depreciation

rates are to be used in the financial studies supporting the application and for determining the amortization period for any loan component. RUS will no longer publish these rates in the Federal Register. There will be an option in the RUS on-line application system that allows applicants to use PUC approved depreciation rates or default to the RUS median depreciation rates reflected in the system. The following chart comprises the median depreciation rates:

#### MEDIAN DEPRECIATION RATES

Code	Group	Letter	Туре	Rate (%)
1000	1. Network & Access Equipment	a	Switching Equipment	9.30
1001		b	Routing Equipment	10.00
1002	1. Network & Access Equipment	c	Transport Equipment	10.00
1003	1. Network & Access Equipment	d	Access Equipment	10.00
1004		e	Video Equipment	9.61
1005		f	Power Equipment	10.00
1006		g	Satellite Equipment	9.26
1007		h	Other (specify)	10.00
2000		a	Copper Cable—Aerial	6.00
2001		b	Copper Cable—Buried	5.15
2002		C	Copper Cable—Underground	5.00
2003		d	Coaxial Cable—Aerial	6.00
2004		e	Coaxial Cable—Rerial	5.15
2005	I .	1	Coaxial Cable—Burled	5.10
2006		f	Fiber Cable—Aerial	5.40
		g		
2007		h	Fiber—Buried	5.00
2008		]	Fiber—Underground Cable	5.00
2009		i	Fiber—Submarine Cable	5.00
2010		k	Conduit Systems	4.00
2011		1	Ducts (Vacant)	5.00
2012		m	Drops	5.00
2013		n	Cabinets/underground vaults	5.00
2014		0	Poles	6.35
2015	2. Outside Plant	p	Make-ready	5.00
2016	2. Outside Plant	q	Other (specify)	5.00
3000	3. Buildings	a	New Construction	3.30
3001	3. Buildings	b	Pre-Fab Huts	3.30
3002	3. Buildings	С	Improvements	3.30
3003	3. Buildings	d	Other (specify)	3.30
4001	4. Towers	a	Guved Towers	5.00
4002	4. Towers	b	Lattice Towers	5.00
4003	4. Towers	С	Monopole/Self-Supporting Tower	5.00
4004	4. Towers	d	Wood poles	5.00
4005	4. Towers	e	Improvements	5.00
4006	4. Towers	f	Other (specify)	5.00
5000	5. Customer Premises Equipment	a	Video Set Top Boxes	12.00
5001	Customer Premises Equipment	b	Modems and Routers	12.00
5002	Customer Premises Equipment	c	Inside Wiring	10.40
5003	5. Customer Premises Equipment	d	Multi-Terminal Adapter (VoIP)	11.33
5004	Customer Premises Equipment      Customer Premises Equipment	e	Smart Meters	11.00
5005	Customer Premises Equipment      Customer Premises Equipment	f	Other (specify)	12.00
6000	6. Support Assets	a	Construction Vehicles	10.00
6001	6. Support Assets	b	Construction Equipment	10.00
6002	6. Support Assets	c	Motor Vehicles	17.00
6003	6. Support Assets	d	Special Purpose Vehicles	11.40
6004	6. Support Assets	e	Office Equipment	10.00
6005	6. Support Assets	f	Office Furniture	10.00
6006	6. Support Assets	g	Billing System	20.00
6007	6. Support Assets	h	Test Equipment	10.00
6008	6. Support Assets	İ	Portable Generators	10.00
6009	6. Support Assets	j	Tools	10.00
6010	6. Support Assets	k	Other (specify)	10.00

#### Andrew Berke,

Administrator, Rural Utilities Service. [FR Doc. 2023-25288 Filed 11-15-23; 8:45 am] BILLING CODE 3410-15-P

#### COMMISSION ON CIVIL RIGHTS

#### Notice of Public Meetings of the Maine Advisory Committee to the U.S. **Commission on Civil Rights**

AGENCY: U.S. Commission on Civil Rights.

**ACTION:** Notice of public meetings.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act, that the Maine Advisory Committee (Committee) to the U.S. Commission on Civil Rights will hold virtual briefings on Thursday, December 14, 2023, and Thursday, January 11, 2024, both at 12 p.m. (ET) to hear testimony on the barriers to fully funding Maine's public defense services.

DATES: Thursday, December 14, 2023; at 12 p.m. (ET).

ADDRESSES: The meetings will be held via Zoom.

Zoom Link (Audio/Visual): https:// tinyurl.com/5yr4dspy; password:

Join by Phone (Audio Only): 1-833-435-1820 USA toll-free; Meeting ID: 161 655 9331#

#### FOR FURTHER INFORMATION CONTACT:

Mallory Trachtenberg, Designated Federal Official at mtrachtenberg@ usccr.gov or via phone at 202-809-9618.

SUPPLEMENTARY INFORMATION: These committee meetings are available to the public through the registration link above. Any interested member of the public may listen to the meetings. An open comment period will be provided to allow members of the public to make a statement as time allows. Per the Federal Advisory Committee Act, public minutes of the meetings will include a list of persons who are present at the meetings. If joining via phone, callers can expect to incur regular charges for calls they initiate over wireless lines, according to their wireless plan. The Commission will not refund any incurred charges. Callers will incur no charge for calls they initiate over landline connections to the toll-free telephone number. Closed captioning will be available for individuals who are deaf, hard of hearing, or who have certain cognitive or learning impairments. To request additional accommodations, please email ebohor@

usccr.gov at least 10 business days prior

to the meeting.

Members of the public are entitled to submit written comments; the comments must be received in the regional office within 30 days following the meeting. Written comments may be emailed to Mallory Trachtenberg at mtrachtenberg@usccr.gov. Persons who desire additional information may contact the Regional Programs Coordination Unit at 1-202-809-9618.

Records generated from these meetings may be inspected and reproduced at the Regional Programs Coordination Unit Office, as they become available, both before and after the meetings. Records of the meetings will be available via www.facadatabase.gov under the Commission on Civil Rights, Maine Advisory Committee link. Persons interested in the work of this Committee are directed to the Commission's website, http://www.usccr.gov, or may contact the Regional Programs Coordination Unit at ebohor@usccr.gov.

#### Agenda

I. Welcome & Roll Call II. Discussion: Briefings on Barriers to Fully Funding Maine Public Defense Services

III. Public Comment IV. Adjournment

Dated: November 13, 2023.

#### David Mussatt,

Supervisory Chief, Regional Programs Unit. [FR Doc. 2023-25349 Filed 11-15-23; 8:45 am] BILLING CODE P

#### **DEPARTMENT OF COMMERCE**

#### Foreign-Trade Zones Board

[Order No. 2156]

#### Establishment of a Foreign-Trade Zone Under the Alternative Site Framework in Socorro, Texas

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, the Foreign-Trade Zones (FTZ) Act provides for ". . . the establishment . . . of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes," and authorizes the Foreign-Trade Zones Board to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs and Border Protection ports of entry;

Whereas, the Board adopted the alternative site framework (ASF) (15 CFR 400.2(c)) as an option for the establishment or reorganization of zones;

Whereas, the City of Socorro (the Grantee) made application to the Board (B-1-2023, docketed January 9, 2023) requesting the establishment of a foreign-trade zone under the ASF with a service area of the City of Socorro, Texas, adjacent to the Tornillo Customs and Border Protection port of entry;

Whereas, notice inviting public comment was given in the Federal Register (88 FR 2603, January 17, 2023) and the application was processed pursuant to the FTZ Act and the Board's regulations; and,

Whereas, the Board adopted the findings and recommendations of the examiners' report, and found that the requirements of the FTZ Act and the Board's regulations are satisfied;

Therefore, on November 9, 2023, the Board granted to the City of Socorro the privilege of establishing a foreign-trade zone, designated on the records of the Board as Foreign-Trade Zone No. 302, as described in the application, and subject to the FTZ Act and the Board's regulations, including section 400.13, and to the Board's standard 2,000-acre activation limit.

Dated: November 13, 2023.

#### Lisa W. Wang,

Assistant Secretary for Enforcement and Compliance, Alternate Chairman, Foreign-Trade Zones Board.

[FR Doc. 2023-25350 Filed 11-15-23; 8:45 am] BILLING CODE 3510-DS-P

#### DEPARTMENT OF COMMERCE

#### **International Trade Administration**

[A-570-827]

Certain Cased Pencils From the People's Republic of China: Final **Results of Antidumping Duty** Administrative Review; 2021-2022

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) has completed its administrative review of the antidumping duty order on certain cased pencils (cased pencils) from the People's Republic of China (China) for the period of review (POR) December 1, 2021, through November 30, 2022. We continue to find that the single entity Wah Yuen Stationery Co. Ltd./ Shandong Wah Yuen Stationery Co. Ltd. (Wah Yuen) as well as Tianjin Tonghe

#### **CERTIFICATE OF SERVICE**

#### 24-GIMT-459-GIT

I, the undersigned, certify that a true copy of the attack	ched Order has been served to the following by means of	
electronic service on		
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	/S/ KCC Docket Room	
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