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THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION
SEP 30 1993
John H. ... Lockout
Rooms

Before Commissioners: Jim Robinson, Chairman
F.S. Jack Alexander
Rachel C. Lipman

In the Matter of a Common Depreciation Schedule for small Independent Telephone Companies in Kansas.)
) Docket No. 188,681-U
) 94-GIMT-082-DRS

COMMENTS OF
INDEPENDENT TELECOMMUNICATIONS GROUP, COLUMBUS ET AL.

COMES now the Independent Telecommunications Group, Columbus et al., and submits the following comments pursuant to Commission order regarding establishment of a common depreciation schedule for small independent telephone companies in Kansas.

The Independent Telecommunications Group, Columbus et al., is an unincorporated association through which legal services are provided to its members on a collective basis. The members of the group are the following Kansas local exchange companies:

- Columbus Telephone Company, Inc.
- Cunningham Telephone Company, Inc.
- Elkhart Telephone Company, Inc.
- H & B Communications, Inc.
- Home Telephone Company, Inc.
- Moundridge Telephone Company, Inc.
- Mutual Telephone Company
- South Central Telephone Association, Inc.
- Totah Telephone Company, Inc.
- Twin Valley Telephone, Inc.

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Wamego Telephone Company, Inc.
Wilson Telephone Company, Inc.
Zenda Telephone Company, Inc.

Group members generally provide local service to residences and businesses in smaller communities in rural areas of the state. No member of the group serves more than 4030 access lines, and accordingly all members of the group would be within the class of companies for which a common depreciation schedule is proposed in the instant docket.

The member companies of the independent telecommunications group strongly support establishment of a procedure under which they may secure determination of reasonable rates of depreciation without undertaking the significant effort and expense inherent in formal and detailed depreciation studies. In many cases increased rates of depreciation would be appropriate for such companies, but the costs of securing such increased depreciation rates would approach or even exceed the benefit of such an increase. Larger telecommunications utilities, having substantially greater plant investment, are therefore significantly less constrained by the expense of formal depreciation proceedings and therefore stand to maintain a significant advantage not presently available to the smaller independent companies.

Subject to two concerns discussed below the proposed methodology for a streamlined process for determination of depreciation rates is not conceptually unreasonable in that it recognizes a range of rates previously determined for most of the companies which would be affected thereby. Recognition of standard deviation from an average of present depreciation rates would establish some flexibility and