

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 3rd day of  
May, 2007.

In the Matter of the Application of Northeast )  
Missouri Rural Telephone Company for )  
Accounting Authority Order Regarding )  
Depreciation Rates. )

**Case No. IU-2007-0362**

**ORDER GRANTING APPLICATION  
FOR ACCOUNTING AUTHORITY ORDER**

Issue Date: May 3, 2007

Effective Date: May 13, 2007

**Syllabus:** This order grants Northeast Missouri Rural Telephone Company an accounting authority order that allows the company to book a depreciation rate of 20% per year for equipment in Account Number 2232, effective July 1, 2007.

On March 29, 2007, Northeast applied to the Commission for an accounting authority order pursuant to Section 392.280.2 RSMo and Commission Rule 4 CSR 240-2.060 to book depreciation rates on new equipment in excess of depreciation rates currently allowed for ratemaking purposes. Commission Case No. TA-2002-61 is the company's most recent Accounting Authority Order. Northeast wishes to deviate from the current annual depreciation rate of 10.3% for Account 2232 set in that case, stating that the rate is insufficient to allow for technological obsolescence. Northeast asks that the annual depreciation rate for that account be changed to 20% effective July 1, 2007.

The Staff of the Commission replied on April 27, recommending that the Commission approve Northeast's request.

Section 392.280.2 RSMo allows the Commission to authorize a telecommunications company to use minimum depreciation rates in lieu of fixed rates, and allows the Commission to authorize a telecommunications company to record depreciation expense on the basis of depreciation rates in excess of such minimum rates. The Commission has reviewed Northeast's verified application and Staff's verified recommendation, hereby admitted into evidence, and finds that it should grant the requested accounting authority order.

**IT IS ORDERED THAT:**

1. The Verified Application for Accounting Authority Order Regarding Depreciation Rates filed by Northeast Missouri Rural Telephone Company is granted.
2. Northeast Missouri Rural Telephone Company may book a depreciation rate of 20% per year for equipment in Account Number 2232 beginning July 1, 2007.
3. This ruling is not binding for ratemaking purposes, and the Commission reserves the right to consider what ratemaking treatment to give the accounting authority order described herein in a subsequent proceeding or proceedings.
4. This order shall become effective on May 13, 2007.
5. This case shall be closed on May 14, 2007.

( S E A L )

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

Davis, Chm., Gaw, Clayton,  
and Appling, CC., concur.  
Murray, C., dissents.

Pridgin, Senior Regulatory Law Judge