

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Citizens)	
Telephone Company of Higginsville,)	
Missouri to Authorize a Minimum)	<u>Case No. IO-2009-0032</u>
Depreciation Rate and to Record)	
Depreciation Expense in Excess of Such)	
Minimum Rate.)	

ORDER AUTHORIZING DEPRECIATION RATE

Issue Date: October 30, 2008

Effective Date: October 30, 2008

On July 22, 2008, Citizens Telephone Company of Higginsville, Missouri filed an application with the Missouri Public Service Commission requesting authority to establish a minimum depreciation rate of 6.67% for Account 2212, Digital Circuit Equipment, and to record depreciation expense at a rate of 16.67% for a period of one year beginning January 1, 2008, in excess of such minimum rate pursuant to §392.280.2 RSMo 2000. According to its application, Citizens purchased and placed into service a Coppercom switch in 2004, but Citizens will retire the switch early because Coppercom has announced its intention to cease doing business and has declared that it will suspend all feature development, provide no future upgrades, and offer only limited technical support.

On September 11, 2008, the Staff filed its Recommendation. It noted that §392.280.2 RSMo 2000 provides that a telecommunications company may request the Commission to authorize minimum depreciation rates in lieu of fixed rates, and to record depreciation expense on the basis of depreciation rates in excess of such

minimum rates. The Staff concurred with the Company that it may request the Commission to authorize minimum depreciation rates in lieu of fixed rates, and record depreciation expense on the basis of depreciation rates in excess of such minimum rates. The Staff recommended that the Commission approve the Company's request in its application, as it will allow the Company an opportunity to recover its investment in its current digital switch through depreciation expense prior to its planned retirement at December 31, 2008.

THE COMMISSION ORDERS THAT:

1. Citizens Telephone Company of Higginsville, Missouri shall establish a minimum depreciation rate of 6.67% for Account 2212, Digital Circuit Equipment, and record depreciation expense at a rate of 16.67% for a period of one year beginning January 1, 2008, in excess of such minimum rate pursuant to §392.280.2, RSMo 2000.
2. This order shall become effective upon issuance.
3. This case may be closed.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Colleen M. Dale, Chief Regulatory
Law Judge, by delegation of authority
Pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri
on this 30th day of October, 2008.