

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 19th day of
January, 2006.

In the Matter of the Application of Miller Telephone)	
Company for Authority to Establish Minimum)	
Depreciation Rates and to Record Depreciation)	<u>Case No. TO-2006-0239</u>
Expense in Excess of Such Minimum Rates)	

**ORDER GRANTING APPLICATION FOR AUTHORITY TO ESTABLISH
MINIMUM DEPRECIATION RATES AND TO RECORD DEPRECIATION
EXPENSE IN EXCESS OF SUCH MINIMUM RATES**

Issue Date: January 19, 2006

Effective Date: January 29, 2006

Miller Telephone Company filed an application on December 5, 2005, asking the Commission for authority to establish minimum depreciation rates and to record depreciation expense in excess of such minimum rates. Miller Telephone is an incumbent local exchange carrier providing services in one exchange located in Lawrence County, Missouri.

Miller Telephone's application asks that the Commission establish its current authorized depreciation rates for all accounts as its minimum rates. It then asks for authority to record depreciation expense in excess of the minimum rates for the following accounts, in the following amounts:

Account Name	Account No.	Minimum Rate	Proposed Rate
Furniture	2122	6.71%	14.29%
General Purpose Computers	2124	13.59%	20.00%
General Office Equipment (Digital Switching)	2212	6.67%	11.11%
Circuit Equipment – Combined	2232	10.30%	11.11%

Miller Telephone contends that the proposed depreciation rates and the service lives they are based on are more representative of the actual service life of the assets in these accounts. Miller Telephone asks for authority to use the new depreciation rates effective as of January 1, 2005.

On January 5, 2006, the Commission's Staff filed a recommendation indicating that Staff concurs with Miller Telephone's request and recommends that the Commission grant the company's application.

Section 392.280.2, RSMo 2000, provides that a telecommunications company may ask 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. Based on the application filed by Miller Telephone and on the recommendation filed by Staff, the Commission finds that Miller Telephone's request is reasonable.

IT IS THEREFORE ORDERED:

1. That the Application for Authority to Establish Minimum Depreciation Rates and to Record Depreciation Expense in Excess of Such Minimum Rates filed by Miller Telephone Company is granted.

2. That the minimum depreciation rates and depreciation rates to be recorded in excess of those depreciation rates by Miller Telephone Company are set out in the following chart:

Account	Account Number	Net Salvage	Average Service Life	Currently Ordered Rate (%)	Minimum Rate (%)	Rates That Will Be Booked	Booked ASL
Vehicles - Combined	2112	12	8.6	10.23	10.23	10.23	
Other Work Equipment (not Acct. 2114)	2116	6	14.0	6.71	6.71	6.71	
Buildings	2121	2	35.0	2.80	2.80	2.80	
Furniture	2122	6	14.0	6.71	6.71	14.29	7.00
General Purpose Computers	2124	13	6.4	13.59	13.59	20.00	5.00
Digital Switching	2212	0	15.0	6.67	6.67	11.11	9.00
Electromechanical Switching	2215	N/A	N/A	N/A	10.3	11.11	9.00
Circuit Equipment- Combined	2232	-3	10.0	10.30	10.30	11.11	9.00
Poles	2411	-30	21.0	6.19	6.19	6.19	
Aerial Cable - Metallic	2421.1	-16	21.0	5.52	5.52	5.52	
Aerial Cable - Drop	2421.3	-15	17.0	6.76	6.76	6.76	
Buried Cable - Metallic	2423.1	-3	24.0	4.29	4.29	4.29	
Buried Cable - Drop	2423.3	-2	21.0	4.86	4.86	4.86	

3. That Miller Telephone Company is authorized to book depreciation rates in excess of minimum rates as listed in the above chart effective as of January 1, 2005.

4. That this order shall become effective on January 29, 2006.

5. That this case may be closed on January 30, 2006.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

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

Woodruff, Deputy Chief Regulatory Law Judge