

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

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

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and states:

1. On December 6, 2005, Miller Telephone Company (“Miller”) filed an application for Commission authority to establish its current authorized depreciation rates as the minimum depreciation rates for all Accounts, and to record depreciation expense in excess of the minimum depreciation rates for the following accounts: Account No. 2124, General Computers; Account No. 2122, Furniture; Account No. 2112, General Office Equipment; and Account No. 2232, Circuit Equipment. Miller further requested that the Commission authorize Miller to do so effective January 1, 2005.

2. The Commission’s authority to authorize the relief requested is pursuant to Section 392.280.2 RSMo 2000, which states 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.”

3. In the Attached Staff Memorandum, the Staff recommends that the Commission grant the relief requested.

WHEREFORE, the Staff respectfully recommends that the Commission authorize Miller Telephone Company to establish its current authorized depreciation rates as the minimum

depreciation rates for all accounts, and to record depreciation expense in excess of such minimum rates.

Respectfully submitted,

/s/ Marc Poston

Marc Poston
Senior Counsel
Missouri Bar No. 45722

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8701 (Telephone)
(573) 751-9285 (Fax)
marc.poston@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 5th day of January 2006.

/s/ Marc Poston

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. TO-2006-0239

From: Guy Gilbert, PE, RG
Engineering and Management Services Department

/S/ Lisa Kremer 01/04/06
Utility Services Division/Date

/S/ Marc Poston 01/04/06
General Counsel Division/Date

Subject: Miller Telephone Company: Application for Authority to Establish Minimum
Depreciation Rates

Date: January 4, 2006

Staff recommends that the Commission authorize the minimum depreciation rates effective January 1, 2005 as presented under the column heading "Minimum Rate (%)" in the revised Depreciation Schedule (attached) for Miller Telephone Company (Company), in lieu of the Company's current fixed rates. In addition the Company will record depreciation rates in excess of the minimum rates as detailed in the column headed "Rates That Will Be Booked".

Staff concurs with Miller Telephone Company that it 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 as provided in Missouri Revised Statutes, Chapter 392, Section 392.280.

Miller Telephone Company
Depreciation Rates
Case No. TO-2006-0239

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	