



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT.
Governor
GREG BELL
Lieutenant Governor

September 20, 2011

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

Chris Parker, Director
Bill Duncan, Manager, Telecommunications and Water
Paul M. Anderson, Utility Technical Consultant

Re: Utah Docket No. 11-051-01, In the Matter of the Request of Beehive Telephone Company, Inc. for Approval of the Depreciation Rate of 2% for Conduit for a Life of 50 Years.

ISSUE:

Beehive Telephone Company is requesting that the Public Service Commission approve a depreciation rate of 2% for conduit which would equal a life of 50 years. Currently, Beehive does not have an approved depreciation rate for conduit, and since it has been placing it for the last couple of years, desires to depreciate it at an appropriate rate.

RECOMMENDATION:

The Division recommends that the Commission approve the above depreciation rate of 2% for conduit which would give it a useful life of 50 years.

The Division has studied the conduit depreciation rates for other similar companies in Utah and has determined that this rate falls within the range of rates and lives that the Commission has previously approved.

The Division believes that this conduit depreciation rate is in the public interest for both Beehive Telephone and its subscribers and recommends that it become effective immediately on approval by the Commission and for use by Beehive in depreciating its future conduit and recently installed conduit.

CC: Wayne A. McCulley, Secretary/Treasurer, Beehive Telephone Company
Dahnelle Burton-Lee, Assistant Attorney General, Utah Attorney General's
Office
Ray Hendershot, Vice President, GVNW