

**DT 03-237**

**GRANITE STATE TELEPHONE, INC.**

**Petition for Approval of Proposed Changes in Depreciation Rates**

**Order Approving Stipulation**

**ORDER NO. 24,346**

**July 9, 2004**

On December 26, 2003, Granite State Telephone, Inc. (GST) filed, for approval by the New Hampshire Public Utilities Commission (Commission), a depreciation study (Study) incorporating plant investment balances as of December 31, 2002. GST requested retroactive implementation of the depreciation rates proposed in the Study as of January 1, 2003. The Office of the Consumer Advocate notified the Commission by letter dated January 21, 2004, that it would participate in the docket on behalf of residential ratepayers.

By Secretarial letter dated February 10, 2004, the Commission denied GST's request for January 1, 2003 retroactive implementation, indicating that further investigation and analysis was required and instructing GST to use its currently authorized depreciation rates for its 2003 Annual report. After a duly noticed prehearing conference held on May 6, 2004, the Commission approved a procedural schedule for investigation and analysis of the Study.

As a result of settlement discussions held on June 16, 2004, GST filed adjustments to its Study, to which Staff and the OCA agreed. On June 24, 2004, Staff filed a signed Stipulation memorializing the agreed-upon adjustments.

GST presented both the Stipulation and the Study, as well as a chart showing the changes in the proposed depreciation rates, for the Commission's consideration at a hearing on June 29, 2004. The Study incorporates annual telephone plant investment balances, and

additions and retirements, through December 31, 2002. Changes were made to three accounts in the Study pursuant to the Stipulation. After the adjustments made to eliminate any increase in overall depreciation, depreciation expense is reduced by \$7,684.

We have reviewed the Stipulation and supporting attachments. The changes and the total impact of the Study appear to be just and reasonable. Therefore, we will approve the Study, as adjusted by the Stipulation, for effect as of January 1, 2004.

**Based upon the foregoing, it is hereby**

**ORDERED**, that the Stipulation presented by Granite State Telephone, Inc. is hereby APPROVED; and it is

**FURTHER ORDERED**, that the depreciation study submitted by Granite State Telephone, Inc., as adjusted by the Stipulation approved herein, is hereby APPROVED for effect as of January 1, 2004.

By order of the Public Utilities Commission of New Hampshire this ninth day of July, 2004.

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Thomas B. Getz  
Chairman

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Graham J. Morrison  
Commissioner

Attested by:

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Debra A. Howland  
Executive Director & Secretary