

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

FCC 95-37

In the Matter of )  
 )  
The Prescription of Revised Percentages of )  
Depreciation Pursuant to the Communications )  
Act of 1934, as amended for: )  
 )  
Bell Atlantic-District of Columbia, Inc. )  
Bell Atlantic-Virginia, Inc. )  
Bell Atlantic-West Virginia, Inc. )  
U S WEST Communications, Inc. )

**MEMORANDUM OPINION AND ORDER**

Adopted: January 30, 1995

Released: January 31, 1995

By the Commission:

**I. INTRODUCTION AND BACKGROUND**

1. In this Memorandum Opinion and Order, we prescribe depreciation rates for four local exchange carriers ("LECs") that filed requests in 1994 for an annual update of their depreciation factors. We developed these depreciation rates after considering the carriers' requests, the comments of the interested parties, and additional information provided by the carriers in response to Commission inquiry.

2. This Commission prescribes depreciation rates for communications common carriers pursuant to Section 220(b) of the Communications Act of 1934, as amended.<sup>1</sup> Under Section 32.2000 of the Commission's Rules, depreciation rates are prescribed so as to depreciate fully the carriers' investments on a straight-line basis over the life of the associated plant.<sup>2</sup> In order to accomplish this, we use the following formula:

$$\text{Depreciation rate} = \frac{100\% - \text{accumulated depreciation \%} - \text{future net salvage \%}}{\text{average remaining life}}$$

---

<sup>1</sup> See 47 C.F.R. § 220(b).

<sup>2</sup> See 47 C.F.R. § 32.2000 (g)(1)(i).

Both the average remaining life and future net salvage factors are based upon estimates,<sup>3</sup> which require periodic review to ensure their reasonableness.

3. In the Depreciation Simplification Order,<sup>4</sup> we adopted streamlined depreciation prescription procedures for the local exchange carriers ("LECs") regulated under our price cap incentive regulation plan. We determined that we would simplify the depreciation process by establishing ranges defined by specifying minimum and maximum amounts for two of the basic factors used to determine the depreciation rate formula (the future net salvage and the projection life estimates)<sup>5</sup> and allowing carriers to use estimates that are within the established ranges. There are two prerequisites for using the streamlined procedures. First, the basic factors underlying a LEC's current depreciation rate for an account must fall within the established ranges.<sup>6</sup> Second, the basic factors underlying new depreciation rates proposed by the LEC, must be consistent with its operations.<sup>7</sup> For those accounts that do not meet the criteria, carriers may update the rates in accordance with our current annual update procedures.<sup>8</sup>

---

<sup>3</sup> Pursuant to our rules, the depreciation rate for an account is a function of the average remaining life and future net salvage estimates and the accumulated depreciation ratio. The average remaining life is the estimated average of the future life expectancy of investment in a particular plant account. The future net salvage is the estimated amount that will be received as salvage for sale of retired plant less any estimated cost of removal. The accumulated depreciation ratio is the ratio of the accumulated depreciation to the related plant-in-service. Plant-in-service is the total amount invested in the plant and accumulated depreciation is the portion of that investment that has been depreciated.

<sup>4</sup> Simplification of the Depreciation Prescription Process, Notice of Proposed Rulemaking, 8 FCC Rcd 146 (1992) (Notice); Simplification of the Depreciation Process, Report and Order, 8 FCC Rcd 8025 (1993) (Depreciation Simplification Order); petitions for reconsideration pending.

<sup>5</sup> Id. at 8026.

<sup>6</sup> Id. at 8054.

<sup>7</sup> "Prescribing depreciation rates that allocate plant costs over the useful life of plant is central to our depreciation policy. Thus, a carrier should use the basic factors that reflect its company operations." Id. at 8054.

The requirement that a new depreciation rate be consistent with carriers' operations is designed to assure that carriers do not arbitrarily select life and salvage estimates simply because they are within the prescribed ranges. Instead, carriers must select life and salvage factors within the range that are consistent with their operations. A carrier's factors are considered to be consistent with its operation if the proposed depreciation rate results in the straight line depreciation of the service value over the average remaining life of the plant. See Supra, note 2. Generally, such determinations are made by analyzing the mix of assets in the carrier's account, studying historical retirement data, and considering expected retirements and additions to the account based on the carrier's construction and modernization plans.

<sup>8</sup> See The Prescription of Revised Percentages of Depreciation Pursuant to Section 220(b) of the Communications Act, as amended for: AT&T-Long Lines Department, 96 FCC 2d 257 (1983) (1983 Depreciation Order). In that Order, we established streamlined study procedures that carriers could use at their discretion, to file for the annual update of rates between triennial reviews as long as they used the same equipment life and salvage estimates established in their most recent depreciation prescription order.

4. In the Second Report and Order in the Depreciation Simplification proceeding, released June 28, 1994, we approved ranges for 22 depreciation rate categories<sup>9</sup> and indicated that carriers could use the new procedures in annual update filings. Four carriers filed for revised depreciation rates using our new streamlined procedures for some of these rate categories: U S WEST Communications, Inc. (for its Idaho, Iowa, Minnesota, Montana, and Oregon jurisdictions), Bell Atlantic-District of Columbia, Inc., Bell Atlantic-Virginia, Inc., and Bell Atlantic-West Virginia, Inc. For the remaining accounts, these carriers proposed revised rates based upon the annual update procedures. The proposed rates were set forth in a Public Notice released September 2, 1994.<sup>10</sup>

## II. PLEADINGS

5. The Virginia State Corporation Commission Staff ("Virginia Staff") filed comments and Bell Atlantic-Virginia filed reply comments. Although the Virginia Staff concurs with Bell Atlantic-Virginia's depreciation rate proposals, it expressed concern that the carriers may not have performed the necessary analysis to determine whether their depreciation rate proposals are consistent with their plant operations.<sup>11</sup> In its reply, Bell Atlantic-Virginia states that it followed the study guidelines issued by the FCC staff as well as the guidelines in the Commission's orders on depreciation simplification. On December 13, 1994, we contacted all four carriers, asking them to explain what they had done to ensure that their proposals for the range accounts were consistent with their operations. In its response, Bell Atlantic described the analysis it performed to determine that its proposals were consistent with company operations. U S WEST, however, stated that it had conducted studies supporting only five range accounts.<sup>12</sup>

## III. DISCUSSION

6. These carriers' depreciation rate proposals are based on either of two review procedures: previously established annual update procedures or the newly established streamlined procedures. For most of the accounts, the carriers filed for changes in rates using

---

<sup>9</sup> Simplification of the Depreciation Prescription Process, Second Report and Order, 9 FCC Rcd 3206 (1994).

<sup>10</sup> Comments Invited On Depreciation Rate Prescriptions Proposed For Domestic Telephone Carriers, 9 FCC Rcd 4808 (1994) (Public Notice).

<sup>11</sup> In addition, the Virginia Staff expressed concern with Bell Atlantic-Virginia's announcement of a one-time adjustment to its accumulated depreciation and the resulting depreciation rates for financial reporting purposes. This adjustment was recorded on the carrier's external financial books and not on the carrier's regulatory books. Therefore, these data do not impact the information required to determine regulatory depreciation rates that are approved by this Commission. Consideration of this adjustment is not relevant to issues raised in this proceeding and we will not consider it further at this time.

<sup>12</sup> These accounts are Analog Circuit, Underground Cable - Metallic, Underground Cable - Nonmetallic, Aerial Cable - Nonmetallic, and Buried Cable - Nonmetallic.

the annual update procedures that have been in effect for many years. Under these procedures the carrier merely updates the rate calculations based upon the life and salvage estimates that underlie the most recent Commission depreciation prescription orders. We reviewed the carriers' proposals and determined that, for these accounts, the carriers computed the rates in accordance with the established procedures. No party objected to any of the rates. We, therefore, adopt them.

7. For the remainder of the accounts, the carriers proposed depreciation rates determined pursuant to our streamlined depreciation procedures. Using these procedures, the carriers are able to select life and salvage factors within the ranges established by the Commission, provided that the proposals are consistent with the carriers' operations. In its comments the Virginia Staff questioned whether the carriers had, in fact, made such determinations. Bell Atlantic stated that its proposals are consistent with company operations and it described the analysis performed to reach those conclusions. U S WEST, on the other hand, stated that the proposals for only five of the range accounts were supported by studies indicating consistency with company operations. Basically, the carriers examined how the accounts were affected by technological changes as well as their corporate strategies to reorganize and downsize their companies.

8. After reviewing the carriers' responses to our request, we conclude that Bell Atlantic, for all the accounts for which it requested the use of ranges, and U S WEST, for the five accounts previously noted, have considered the relevant factors and have made a good faith effort to propose life and salvage factors which are consistent with their operations. The staff has further determined that the carriers have selected life and salvage factors within the established ranges for the accounts indicated, and that they have computed rates consistent with these factors and the Commission's straight-line remaining life depreciation methods. Therefore, we adopt the depreciation rates for the remaining accounts. We are not adopting the proposed depreciation rates for the other range accounts of U S WEST. Rather, the revised rates were calculated using our current annual update procedures.

#### IV. CONCLUSION

9. Having considered the carriers' proposals, the responses to the Public Notice, and the Bureau's analyses and recommendations, we adopt the depreciation rates and effective dates listed in the Appendix.

## V. ORDERING CLAUSES

10. ACCORDINGLY IT IS ORDERED, pursuant to Sections 4(i), 201-205 and 220(b) of the Communications Act of 1934, as amended, 47 U.S.C. Sections 154(i), 201-205 and 220(b), that the percentages of depreciation set forth in the Appendix to this Order ARE PRESCRIBED, effective on January 1, 1994.

11. IT IS FURTHER ORDERED, that this Order is effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

William F. Caton  
Acting Secretary

Appendix

FEDERAL COMMUNICATIONS COMMISSION  
 Schedule of Annual Percentages of Depreciation for  
 BELL ATLANTIC - VIRGINIA, INC.

Effective January 1, 1996

Rate Category Description -----	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.1	10	51.4	12.5
2115 GARAGE WORK EQUIPMENT	10.4	1	-3.3	9.8
2116 OTHER WORK EQUIPMENT	6.4	0	31.1	10.8
2121 BUILDINGS	29.0	2	21.3	2.6
2122 FURNITURE	8.3	0	18.8	9.8
2123 OFFICE SUPPORT EQUIP.	5.7	12	34.4	9.4
2123 COMPANY COMM. EQUIPMENT	6.8	8	40.6	7.6
2124 COMPUTERS	3.6	7	48.2	12.4
2211 ANALOG SWITCHING	1.8	3	52.7	24.6
2212 DIGITAL SWITCHING	10.2	1	28.4	6.9
2220 OPERATOR SYS - DIGITAL	9.6	0	16.3	8.7
2231 RADIO SYSTEMS	4.2	-5	24.2	19.2
2232 DIGITAL DATA SYSTEMS	3.1	0	30.3	22.5
2232 DIGITAL CIRCUIT EQUIP.	6.1	0	36.2	10.5
2232 ANALOG CIRCUIT EQUIP.	3.0	-5	63.8	13.7
2351 PUBLIC TELEPHONES	7.3	10	54.0	4.9
2362 OTHER TERMINAL EQPT	8.3	18	32.7	5.9
2411 POLES	16.3	-43	44.2	6.1
2421 AERIAL CABLE - METALLIC	12.4	-17	47.7	5.6
2421 AERIAL CABLE - NON MET	15.7	-25	16.7	6.9
2422 U.G. CA - METALLIC	13.6	2	44.4	3.9
2422 U.G. CA - NON METALLIC	15.5	-20	14.7	6.8
2423 BURIED CABLE-METALLIC	11.4	-4	42.5	5.4
2423 BURIED CABLE-NON MET	17.4	-10	21.9	5.1
2424 SUBMARINE CABLE	10.5	-8	58.3	4.7
2426 INTRABUILDING CABLE @	14.6	-19	43.1	5.2
2441 CONDUIT SYSTEMS	36.0	-10	21.0	2.5

The figures in Columns B, C, and D are percentages of gross book cost.

@ Extraordinary retirement amortization for the Intrabuilding Cable Account of \$11,049 thousand annually over a four year period ending December 31, 1997.

FEDERAL COMMUNICATIONS COMMISSION  
 Schedule of Annual Percentages of Depreciation for  
 BELL ATLANTIC - WEST VIRGINIA, INC.

APPENDIX  
 PAGE 2

Effective January 1, 1994

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.1	10	59.0	10.0
2115 GARAGE WORK EQUIPMENT	6.3	0	23.7	12.1
2116 OTHER WORK EQUIPMENT	6.3	0	27.1	11.6
2121 BUILDINGS	27.0	4	25.1	2.6
2122 FURNITURE	8.3	0	34.7	7.9
2123 OFFICE SUPPORT EQUIP	4.7	0	50.7	10.5
2123 COMPANY COMM EQUIP	3.6	-5	71.5	9.3
2124 COMPUTERS	2.9	0	48.5	17.8
2212 DIGITAL SWITCHING	10.3	3	26.2	6.9
2220 OPER SYS DIGITAL	9.3	5	19.0	8.2
2231 RADIO SYSTEMS	3.5	-5	52.4	15.0
2232 DIGITAL DATA SYSTEMS	3.4	-5	37.2	19.9
2232 DIGITAL CIRCUIT EQUIP	6.0	1	41.0	9.7
2232 ANALOG CIRCUIT EQUIP	3.3	-5	45.8	17.9
2351 PUBLIC TELEPHONES	7.5	4	52.5	5.8
2362 OTHER TERM EQUIP	9.4	11	28.7	6.4
2411 POLES	15.2	-40	48.4	6.0
2421 AERIAL CABLE - METALLIC	12.4	-18	50.5	5.4
2421 AERIAL CABLE - NON MET	17.3	-25	15.6	6.3
2422 U.G. CABLE - METALLIC	15.4	-14	42.5	4.6
2422 U.G. CABLE - NON MET	13.7	-20	15.4	7.6
2423 BURIED CABLE - METALLIC	9.6	-7	57.5	5.2
2423 BURIED CABLE - NON MET	16.9	-10	35.2	4.4
2424 SUBMARINE CABLE	5.4	0	72.2	5.1
2426 INTRABUILDING CABLE	9.8	-21	32.5	9.0
2441 CONDUIT SYSTEMS	36.0	-10	27.5	2.3

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION  
 Schedule of Annual Percentages of Depreciation for  
 BELL ATLANTIC - DISTRICT OF COLUMBIA, INC.

Effective January 1, 1994

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A
2112 MOTOR VEHICLES	2.6	10	64.1	10.0
2115 GARAGE WORK EQUIPMENT	6.5	0	28.8	11.0
2116 OTHER WORK EQUIPMENT	6.4	0	38.9	9.5
2121 BUILDINGS	27.0	10	13.4	2.8
2122 FURNITURE	8.2	19	39.0	5.1
2123 OFFICE SUPPORT EQUIP.	5.8	15	39.0	7.9
2123 COMPANY COMM. EQUIPMENT	4.4	-5	40.1	14.8
2124 COMPUTERS	3.0	10	46.4	14.5
2211 ANALOG SWITCHING	2.3	0	64.1	15.6
2212 DIGITAL SWITCHING	9.9	3	30.2	6.7
2212 CUST.PREM.SWITCHING	4.5	25	34.3	9.0
2220 OP SYS - DIGITAL SW.	6.8	3	36.4	8.9
2231 RADIO SYSTEMS	4.0	-5	48.7	14.1
2232 DIGITAL DATA SYSTEMS	6.5	-4	49.1	8.4
2232 DIGITAL CIRCUIT EQUIP.	6.9	1	35.9	9.1
2232 ANALOG CIRCUIT EQUIP.	5.7	0	30.8	12.1
2351 PUBLIC TELEPHONE EQUIP.	3.8	0	62.1	10.0
2362 OTHER TERMINAL EQPT	3.5	-5	59.9	12.9
2411 POLES	18.7	-115	97.1	6.3
2421 AERIAL CABLE - METALLIC	11.6	-8	59.1	4.2
2421 AERIAL CABLE - NON MET.	18.1	-8	23.9	4.6
2422 U.G. CABLE - METALLIC	13.7	-11	55.4	4.1
2422 U.G. CABLE - NON MET.	13.8	-20	30.5	6.5
2423 BURIED CABLE	15.5	-7	43.6	4.1
2424 SUBMARINE CABLE	4.5	-5	94.0	2.4
2426 INTRABUILDING CABLE	11.5	-12	53.8	5.1
2441 CONDUIT SYSTEMS	28.0	-10	42.6	2.4

The figures in Columns B, C, and D are percentages of gross book cost.



FEDERAL COMMUNICATIONS COMMISSION  
 Schedule of Annual Percentages of Depreciation for  
 U S WEST COMMUNICATIONS, INC. - IDAHO

Effective January 1, 1994

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
-----	(years)	(%)	(%)	(%)
-----	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.8	11	53.1	9.4
2114 SPEC PURPOSE VEHICLES	13.0	12	16.2	5.5
2115 GARAGE WORK EQUIP	13.5	12	23.0	4.8
2116 OTHER WORK EQUIP	11.9	12	31.1	4.8
2121 BUILDINGS	25.0	-1	29.7	2.9
2122 FURNITURE	9.7	1	-9.1	11.1
2123 OFFICE EQUIPMENT	5.3	0	16.6	15.7
2123 COMPANY COMM EQUIP	4.8	1	51.8	9.8
2124 GEN PURPOSE CMPTR	2.8	3	47.6	17.6
2211 ANALOG SW EQUIP	3.0	2	57.2	13.6
2212 DIGITAL SW EQUIP	10.6	3	23.8	6.9
2220 OPERATOR SYSTEMS	---	0	100.0	5.0
2231 RADIO SYSTEMS	8.2	-5	40.2	7.9
2232 CIRCUIT ANALOG	3.5	-5	46.6	16.7
2232 CIRCUIT DDS	5.1	-4	38.7	12.8
2232 CIRCUIT DIGITAL	6.9	3	34.0	9.1
2351 PUB TEL TERM EQUIP	3.3	5	86.3	2.6
2362 OTHER TERM EQUIP	4.5	1	40.1	13.1
2411 POLE LINES	10.7	-56	77.3	7.4
2421 AERIAL CABLE MET	10.3	-36	51.5	8.2
2421 AERIAL CABLE NON MET	13.5	-25	10.6	8.5
2422 UNDGRD CABLE MET	13.1	-20	40.5	6.1
2422 UNDGRD CABLE NON MET	17.5	-20	12.0	6.2
2423 BURIED CABLE MET	15.4	-7	36.8	4.6
2423 BURIED CABLE NON MET	17.7	-10	18.2	5.2
2424 SUB CABLE MET	17.7	-5	54.0	2.9
2424 SUB CABLE NON MET	25.0	-5	0.0	4.2
2426 INTRA BLDG CA MET	11.7	-1	50.0	4.4
2426 INTRA BLDG CABLE NON MET	10.0	-14	0.2	11.4
2431 AERIAL WIRE	4.9	-123	79.1	29.4
2441 CONDUIT SYSTEMS	44.0	-5	21.1	1.9

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION  
 Schedule of Annual Percentages of Depreciation for  
 U S WEST COMMUNICATIONS, INC. - IOWA

Effective January 1, 1994

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
-----	(years)	(%)	(%)	(%)
-----	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	5.0	11	45.7	8.7
2114 SPEC PURPOSE VEHICLES	15.0	10	0.0	6.0
2115 GARAGE WORK EQUIP	9.8	0	-49.7	15.3
2116 OTHER WORK EQUIP	9.9	10	42.6	4.8
2121 BUILDINGS	27.0	7	21.9	2.6
2122 FURNITURE	---	1	100.0	5.0
2123 OFFICE EQUIPMENT	5.1	0	70.8	5.7
2123 COMPANY COMM EQUIP	4.1	0	40.0	14.6
2124 GEN PURPOSE CMPTR	3.1	5	44.2	16.4
2211 ANALOG SW EQUIP	4.2	3	57.9	9.3
2212 DIGITAL SW EQUIP	10.9	4	24.0	6.6
2215 STEP BY STEP SW EQUIP	1.0	-1	91.8	9.2
2220 OPERATOR SYSTEMS	1.2	5	91.8	2.7
2231 RADIO SYSTEMS	4.3	-4	70.2	7.9
2232 CIRCUIT ANALOG	3.5	-5	60.9	12.6
2232 CIRCUIT DDS	5.4	0	27.8	13.4
2232 CIRCUIT DIGITAL	6.5	0	39.7	9.3
2351 PUB TEL TERM EQUIP	5.8	5	52.8	7.3
2362 OTHER TERM EQUIP	4.7	4	41.3	11.6
2411 POLE LINES	9.0	-64	144.8	2.1
2421 AERIAL CABLE MET	8.2	-24	81.2	5.2
2421 AERIAL CABLE NON MET	13.1	-26	-0.1	9.6
2422 UNDGRD CABLE MET	12.0	-30	62.3	5.6
2422 UNDGRD CABLE NON MET	15.0	-20	22.7	6.5
2423 BURIED CABLE MET	13.1	-13	57.3	4.3
2423 BURIED CABLE NON MET	17.0	-10	15.1	5.6
2424 SUB CABLE MET	2.9	-5	92.3	4.4
2424 SUB CABLE NON MET	18.1	-5	3.2	5.6
2426 INTRA BLDG CA MET	9.7	-21	81.9	4.0
2426 INTRA BLDG CABLE NON MET	14.8	-16	28.2	5.9
2431 AERIAL WIRE	3.1	-31	86.8	14.3
2441 CONDUIT SYSTEMS	33.0	-18	54.2	1.9

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION  
 Schedule of Annual Percentages of Depreciation for  
 U S WEST COMMUNICATIONS, INC. - MINNESOTA

APPENDIX  
 PAGE 6

Effective January 1, 1994

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net	Depreciation	Life
	Life	Salvage		Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	5.1	9	43.4	9.3
2114 SPEC PURPOSE VEHICLES	6.8	10	63.1	4.0
2115 GARAGE WORK EQUIP	9.6	0	-100.8	20.9
2116 OTHER WORK EQUIP	11.2	10	35.0	4.9
2121 BUILDINGS	28.0	6	17.3	2.7
2122 FURNITURE	---	1	100.0	5.0
2123 OFFICE EQUIPMENT	7.8	0	13.2	11.1
2123 COMPANY COMM EQUIP	4.6	0	36.2	13.9
2124 GEN PURPOSE CMPTR	3.1	5	49.8	14.6
2211 ANALOG SW EQUIP	3.7	2	52.5	12.3
2212 DIGITAL SW EQUIP	10.6	3	24.1	6.9
2215 STEP BY STEP SW EQUIP @	---	-1	65.9	---
2215 CROSSBAR SW EQUIP @	---	-1	57.1	---
2220 OPERATOR SYSTEMS	5.2	5	89.7	1.0
2231 RADIO SYSTEMS	5.5	-5	56.0	8.9
2232 CIRCUIT ANALOG	3.0	-5	60.8	14.7
2232 CIRCUIT DDS	6.2	0	5.0	15.3
2232 CIRCUIT DIGITAL	7.0	0	39.8	8.6
2351 PUB TEL TERM EQUIP	5.6	5	68.5	4.7
2362 OTHER TERM EQUIP	4.0	7	48.4	11.2
2411 POLE LINES	6.4	-60	134.5	4.0
2421 AERIAL CABLE MET	9.6	-24	68.0	5.8
2421 AERIAL CABLE NON MET	11.0	-25	-11.4	12.4
2422 UNDGRD CABLE MET	13.0	-20	48.0	5.5
2422 UNDGRD CABLE NON MET	15.0	-20	17.1	6.9
2423 BURIED CABLE MET	13.3	-13	47.6	4.9
2423 BURIED CABLE NON MET	21.0	-11	14.8	4.6
2424 SUB CABLE MET	7.3	-5	74.7	4.2
2424 SUB CABLE NON MET	18.5	-5	15.4	4.8
2426 INTRA BLDG CA MET	10.0	-14	78.1	3.6
2426 INTRA BLDG CABLE NON MET	17.3	-11	22.7	5.1
2431 AERIAL WIRE	3.7	-29	68.8	16.3
2441 CONDUIT SYSTEMS	37.0	-18	36.9	2.2

The figures in Columns B, C, and D are percentages of gross book cost.

@ The amortization amounts for the Crossbar Switching and Step-By-Step Switching accounts ordered in FCC 93-40, released January 15, 1993, are continued.

FEDERAL COMMUNICATIONS COMMISSION  
 Schedule of Annual Percentages of Depreciation for  
 U S WEST COMMUNICATIONS, INC. - MONTANA

APPENDIX  
 PAGE 7

Effective January 1, 1994

Rate Category Description	Average	Future	Remaining	
	Remaining	Net	Accumulated	Life
	Life	Salvage	Depreciation	Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	4.2	10	53.0	8.8
2114 SPEC PURPOSE VEHICLES	11.6	13	28.3	5.1
2115 GARAGE WORK EQUIP	15.1	13	-19.6	7.1
2116 OTHER WORK EQUIP	13.3	13	2.5	6.4
2121 BUILDINGS	19.3	-10	35.8	3.8
2122 FURNITURE	11.9	7	-10.4	8.7
2123 OFFICE EQUIPMENT	5.0	7	18.9	14.8
2123 COMPANY COMM EQUIP	3.9	1	65.4	8.6
2124 GEN PURPOSE CMPTR	2.2	5	70.6	11.1
2211 ANALOG SW EQUIP	3.1	2	65.7	10.4
2212 DIGITAL SW EQUIP	10.2	3	24.2	7.1
2215 STEP BY STEP SW EQUIP a	---	-5	70.9	---
2215 CROSSBAR SW EQUIP a	---	-4	29.6	---
2220 OPERATOR SYSTEMS	4.8	0	-5.5	22.0
2231 RADIO SYSTEMS	8.7	-3	30.7	8.3
2232 CIRCUIT ANALOG	3.3	-5	50.2	16.6
2232 CIRCUIT DDS	4.1	15	36.6	11.8
2232 CIRCUIT DIGITAL	6.6	2	33.2	9.8
2351 PUB TEL TERM EQUIP	3.8	5	83.6	3.0
2362 OTHER TERM EQUIP	4.2	9	41.4	11.8
2411 POLE LINES	13.9	-64	90.0	5.3
2421 AERIAL CABLE MET	12.4	-42	48.4	7.5
2421 AERIAL CABLE NOW MET	12.8	-25	4.6	9.4
2422 UNDRD CABLE MET	12.7	-30	49.5	6.3
2422 UNDRD CABLE NOW MET	17.7	-20	12.2	6.1
2423 BURIED CABLE MET	15.4	-3	36.0	4.4
2423 BURIED CABLE NOW MET	19.3	-10	10.8	5.1
2424 SUB CABLE MET	13.1	-5	55.6	3.8
2424 SUB CABLE NOW MET	25.0	-5	0.0	4.2
2426 INTRA BLDG CA MET	13.1	-9	51.7	4.4
2426 INTRA BLDG CABLE NOW MET	9.7	-10	20.2	9.3
2431 AERIAL WIRE	4.5	-100	132.1	15.1
2441 CONDUIT SYSTEMS	37.0	-15	30.5	2.3

The figures in Columns B, C, and D are percentages of gross book cost.

a The amortization amounts for the Crossbar Switching and Step-By-Step Switching accounts ordered in FCC 94-13, released January 31, 1994, are continued.

FEDERAL COMMUNICATIONS COMMISSION  
 Schedule of Annual Percentages of Depreciation for  
 U S WEST COMMUNICATIONS, INC. - OREGON

APPENDIX  
 PAGE 8

Effective January 1, 1994

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A
2112 MOTOR VEHICLES	5.6	15	37.1	8.6
2114 SPEC PURPOSE VEHICLES	7.6	10	39.6	6.6
2115 GARAGE WORK EQUIP	7.7	10	55.4	4.5
2116 OTHER WORK EQUIP	9.5	10	49.7	4.2
2121 BUILDINGS	27.0	1	27.3	2.7
2122 FURNITURE	8.4	18	69.9	1.4
2123 OFFICE EQUIPMENT	7.8	9	-7.8	12.7
2123 COMPANY COMM EQUIP	3.9	0	39.8	15.4
2124 GEN PURPOSE CMPTR	2.9	9	53.5	12.9
2211 ANALOG SW EQUIP	3.6	2	48.4	13.8
2212 DIGITAL SW EQUIP	10.4	8	24.3	6.5
2220 OPERATOR SYSTEMS	5.9	5	44.9	8.5
2231 RADIO SYSTEMS	7.9	-5	38.9	8.4
2232 CIRCUIT ANALOG	2.7	-5	51.9	19.7
2232 CIRCUIT DDS	5.3	0	7.8	17.4
2232 CIRCUIT DIGITAL	6.6	3	32.0	9.8
2351 PUB TEL TERM EQUIP	7.1	6	66.2	3.9
2362 OTHER TERM EQUIP	5.5	0	29.6	12.8
2411 POLE LINES	12.6	-57	62.2	7.5
2421 AERIAL CABLE MET	11.9	-16	45.9	5.9
2421 AERIAL CABLE NON MET	13.1	-25	10.8	8.7
2422 UNDRD CABLE MET	12.5	-6	42.8	5.1
2422 UNDRD CABLE NON MET	20.0	-16	17.1	4.9
2423 BURIED CABLE MET	14.6	-9	38.0	4.9
2423 BURIED CABLE NON MET	16.8	-9	17.2	5.5
2424 SUB CABLE MET	11.0	-4	79.7	2.2
2424 SUB CABLE NON MET	15.6	-4	10.7	6.0
2426 INTRA BLDG CA MET	9.8	-18	67.2	5.2
2426 INTRA BLDG CABLE NON MET	16.7	-25	23.9	6.1
2431 AERIAL WIRE	6.1	-52	97.9	8.9
2441 CONDUIT SYSTEMS	37.0	-7	25.5	2.2

The figures in Columns B, C, and D are percentages of gross book cost.