

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET NO. UT-040105
)	
INLAND TELEPHONE COMPANY,)	ORDER NO. 01
)	
Petitioner,)	
)	
For An Accounting Order Allowing)	
Three Year Depreciation of Replaced)	ORDER APPROVING
Switches)	ACCOUNTING PETITION
.....)	

BACKGROUND

1 On January 26, 2004, Inland Telephone Company, (Inland or Company) filed a petition seeking an Accounting Order under WAC 480-09-420(7) to amortize the undepreciated investment in four retired switches over three years beginning in 2003. The reason for this request is because the switch manufacturer, Mitel, has notified Inland that it will no longer provide support for the switches. In addition, Inland states the switches are not Communications Assistance to Law Enforcement Act (CALEA) compliant, do not allow for local number portability and make deployment of digital subscriber line (DSL) more difficult. Finally, Inland states that the three-year write-off of these switches is consistent with general depreciation policy and the treatment of early asset retirement and will not effect rates at this time. Staff has reviewed the petition and believes the proposed accounting petition requested by Inland is reasonable and should be approved.

FINDINGS AND CONCLUSIONS

2 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of

public service companies, including telephone companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.36 RCW.*

- 3 (2) Inland Telephone Company is a telephone company and is a public
service company subject to the jurisdiction of the Commission.
- 4 (3) WAC 480-09-420(7), allows companies to file a petition including that for
which Inland seeks approval.
- 5 (4) Staff has reviewed the petition in Docket No. UT-040105 including related
workpapers. Staff believes the proposed accounting petition requested by
Inland is reasonable and should be approved.
- 6 (5) This matter was brought before the Commission at its regularly scheduled
meeting on March 12, 2004.
- 7 (6) After examination of the petition filed in Docket No. UT-040105 by Inland
on January 26, 2004, and giving due consideration to all relevant matters
and for good cause shown, the Commission finds that the Petition filed
should be approved.

ORDER

THE COMMISSION ORDERS:

- 8 (1) Inland Telephone Company's request to depreciate retired switches over a
three-year period beginning in 2003 is approved.
- 9 (3) This Order shall in no way affect the authority of this Commission over
rates, services, accounts, evaluations, estimates, or determination of costs
on any matters whatsoever that may come before it, nor shall anything

herein be construed as an acquiescence in any estimate or determination of costs claimed or asserted.

- 10 (4) The Commission retains jurisdiction over the subject matter and Inland Telephone Company to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 12th day of March, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary