(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF GTE NORTHWEST, INCORPORATED TO DETERMINE AND FIX PROPER AND ADE­QUATE RATES OF DEPRECIATION FOR SEVERAL CLASSES OF ITS DEPRECIABLE PROPERTY. | )  )  )  )  )  )  ) | CASE NO. GTE-T-97-5  NOTICE OF APPLICATION |

YOU ARE HEREBY NOTIFIED that on March 10, 1997, GTE Northwest Incorporated  (GTE; Company) filed an Application requesting the Idaho Public Utilities Commission to issue an order authorizing GTE to change and revise some of its depreciation rates. The Company seeks to accelerate the asset lives or depreciation rates for those accounts most affected by advances in technology and subject to competition.  GTE indicates that it is not seeking an increase in rates to compensate for the proposed increase in depreciation expense and the resultant decrease in intrastate earning.  The Company also indicates that it does expect to receive full recognition of any approved change in its depreciation rates for purposes of calculating its cost of service in future proceedings before the Commission (e.g., earnings, investigations, cost study reviews, and universal service cost analysis).

YOU ARE FURTHER NOTIFIED that GTE requests to shorten the average remaining depreciation lives for eight accounts.  These accounts are as follows:

2212.00Digital switching equipment from 12.6 years to 6 years

2232.00Circuit equipment from 9.3 years to 4 years

2421.10Aerial cable metallic from 18.1 years to 6 years

2421.21Aerial cable non-metallic from 28 years to 15 years

2422.10Underground cable metallic from 22 years to 6 years

2422.20Underground cable non-metallic from 27.0 years to 15.0 years

2423.10Buried cable metallic from 16.4 years to 6 years

2423.20Buried cable non-metallic from 29.0 years to 15.0 years

GTE claims that these accounts contain the telecommunication assets which are most impacted by the combined effects of technological change and competition. These accounts represent about 66 percent of the Company’s plant in service.  GTE estimates economic lives for the assets in these accounts as follows: copper cable 15 years, digital switching 10 years, circuit equipment 8 years, and fiber cable 20 years.  GTE estimates the economic remaining lives as follows: copper cable 6 years, digital switching 6 years, circuit equipment 4 years, and fiber cable 15 years.   See Attachment 1.

YOU ARE FURTHER NOTIFIED that the Application together with supporting testimony and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission office.

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examining witnesses must file a Petition to Intervene with the Commission pursuant to Rules 72 and 73 of the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.  Persons desiring to present their views without parties’ rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61. All proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code and specifically Idaho Code § 61-525.

DATED at Boise, Idaho this                  day of April 1997.

Myrna J. Walters

Commission Secretary

vld/N:GTE-T-97-5.sh

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 17, 1997