

House Research Act Summary

CHAPTER: 436

SESSION: 2000 Regular Session

TOPIC: Depreciation of Telephone Company Equipment

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Overview

This act contains two parts. The first part extends the term of the Legislative Electric Energy Task Force until March 15, 2000. The second part modifies the existing law relating to depreciation of telephone equipment. Under the new law, telephone companies have more flexibility in the depreciation of telephone equipment. At the same time, the Public Utilities Commission (PUC) has the discretion to fix depreciation rates and methods with respect to a particular telephone company only for limited purposes.

- 1 **Task force extension.** Extends the expiration date for the Legislative Electric Energy Task Force from June 30, 2000 to March 15, 2001.
- 2 **Depreciation of telephone company equipment.** Amends the existing depreciation law to provide that the PUC has *the discretion* to fix depreciation rates and methods with respect to a particular telephone company *but only* for purposes of a proceeding to determine or investigate wholesale or retail rates or to set any level of universal service support. Deletes the requirement in existing law that a telephone company depreciate its equipment according to rates and methods set by the PUC. Additionally, the act requires retention of depreciation records and account information. This requirement is substantially similar to that found in Minnesota Rules Part 7810.7400.
- 3 **Repealer.** Repeals the following provisions:
 - 237.773, subdivision 5 - a provision relating to depreciation with regard to alternative form of regulation plans for small telephone companies; and
 - rules relating to depreciation adopted by the PUC to implement Minnesota Statutes, section 237.22, all of which have been suspended by the PUC except for Minnesota Rules, part 7810.7400 which is incorporated into Minnesota Statutes section 237.22 as discussed above.
- 4 **Effective date.** Provides that this act is effective the day following final enactment.

