

December 7, 2006

By Hand Delivery

Ms. Reneé J. Jenkins
Director of Administration
Secretary of the Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

PUCO

2006 DEC -7 AM 11:20

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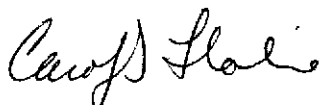
RE: In the Matter of the Application to Change Depreciation Accrual Rates of United Telephone Company of Ohio dba Embarq; PUCO Case No. 06-1365-TP-WVR

Dear Ms. Jenkins:

Enclosed are an original and eight (8) copies of Comments to be filed in connection with the above-referenced matter on behalf of Verizon North Inc.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Very truly yours,



Carolyn S. Flahive

Enclosure

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application to Change)
Depreciation Accrual Rates of United Telephone) Case No. 06-1365-TP-WVR
Company of Ohio dba Embarq)

COMMENTS OF VERIZON NORTH INC.

On November 16, 2006, United Telephone Company of Ohio d/b/a Embarq ("Embarq") filed for a waiver of its requirement to obtain approval of future depreciation rate changes with the Public Utilities Commission of Ohio ("Commission"). On November 28, 2006, the Commission issued an Entry affording interested parties an opportunity to comment on Embarq's request. The Commission also requested comments on whether similar flexibility should be afforded all incumbent local exchange carriers ("ILECs") operating under alternative regulation pursuant to Chapter 4901:1-4, Ohio Administrative Code ("O.A.C.").

Verizon North Inc. ("Verizon") supports Embarq's waiver request. Further, Verizon believes that all incumbent local exchange carriers operating under alternative regulation pursuant to Chapter 4901:1-4, O.A.C should likewise be allowed to set their own future depreciation rates. Mandated depreciation rates are neither necessary nor are they appropriate for ILECs under price regulation and alternative regulation plans. These reduced regulation plans are in place because of the ever increasing competitive pressures faced by ILECs today. Many competitors of ILECs today are not subject to any Commission regulation, and none are subject to Commission oversight of their depreciation rates. The Commission should allow ILECs operating under alternative regulatory plans the same flexibility to set their depreciation rates that their competitors have. Other states have already moved in this direction. For example, in the neighboring states of Indiana, Michigan, and Pennsylvania, where Verizon also

operates under alternative regulation, the commissions allow Verizon to set its depreciation rates without Commission approval.

Verizon agrees with Embarq's comment that since Embarq is not subject to rate-of-return regulation, the Commission has no need to review or officially approve depreciation rates used by the company. Similar to Embarq's offer, Verizon will also continue to provide the depreciation accrual rates as part of its annual report (Schedule 9) so that the Commission will be aware of the rates being used. Also, should Verizon return to traditional rate-of-return regulation, a depreciation study could be provided for approval as part of that case. Therefore, Verizon supports Embarq's request for a waiver of the requirement to obtain Commission approval of depreciation rate changes and agrees that this flexibility should be extended to Verizon and all ILECs so long as they remain under elective alternative regulation.

The Commission also requested that persons commenting in favor of granting such flexibility also propose language to the accounting standards rule set forth as Rule 4901:1-4-05, O.A.C., to codify this decision. Rule 4901:1-4-05 requires that Accounting records be maintained in accordance with the Uniform System Of Accounts ("USOA") for local telephone operations by all ILECs. Verizon is not requesting a waiver to deviate from this requirement. Verizon will continue to maintain accounting records in accordance to USOA requirements. Thus, no modification of this rule is required.

CONCLUSION

Verizon supports Embarq's request for a waiver of the requirement to obtain Commission approval of depreciation accrual rate changes and requests that it also be extended to Verizon and all ILECs so long as they remain under elective alternative regulation.

Respectfully submitted,

VERIZON NORTH INC.

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