

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

ENTRY

The Commission finds:

- (1) On November 16, 2006, United Telephone Company of Ohio dba Embarq (Embarq) filed a request for a waiver of the requirement to file for approval of future depreciation rate changes in lieu of continuing Commission approval of depreciation accrual rates.
- (2) In support of its request, Embarq maintains that, pursuant to its elective alternative regulation plan in Case No. 02-2117-TP-ALT, Embarq is not subject to rate-of-return regulation; therefore, the Commission has no need to review and officially approve depreciation rates used by the company. Embarq states that the company will continue to provide the depreciation accrual rates as part of its annual report (Schedule 9) so that the Commission is aware of the rates being used. Additionally, should Embarq return to traditional rate-of-return regulation, a depreciation study could be provided for approval as part of that case. Therefore, Embarq requests a waiver of the requirement to obtain Commission approval of depreciation rate changes for so long as Embarq remains under elective alternative regulation.
- (3) The Commission will afford interested persons an opportunity to comment on Embarq's application for waiver. Moreover, the Commission is also interested in whether similar flexibility should be afforded all incumbent local exchange carriers operating under elective alternative regulation pursuant to Chapter 4901:1-4, Ohio Administrative Code (O.A.C.). Persons commenting in favor of granting such flexibility to alternative regulation companies should also propose language to the accounting standards rule set forth as Rule 4901:1-4-05, O.A.C., to codify this decision.

Initial comments on these issues are due on December 8, 2006 and reply comments are due on December 22, 2006. Any person or entity that files initial and/or reply comments in this docket shall

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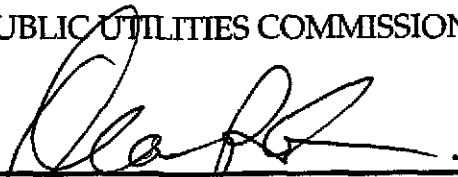
serve copies of those comments on all other persons or entities that file either initial or reply comments in this docket.

It is, therefore,

ORDERED, That interested persons and entities are hereby authorized to file initial and/or reply comments in accordance with finding 3. It is, further,

ORDERED, That a copy of this entry be served upon all local telephone companies under the Commission's jurisdiction, the Ohio Telecom Association, the Ohio Consumers' Counsel and all other interested persons of record in this matter.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman

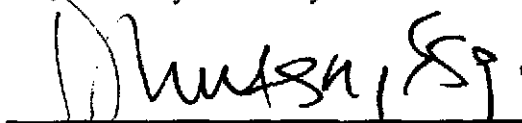


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Renee J. Jenkins
Secretary