

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of

The Prescription of Revised Percentages of Depreciation pursuant to the Communications Act of 1934, as amended, for:

AT&T Communications of California, Inc.  
AT&T Communications of Delaware, Inc.  
AT&T Communications of Illinois, Inc.  
AT&T Communications of Indiana, Inc.,  
AT&T Communications of Maryland, Inc.,  
AT&T Communications of Michigan, Inc.,  
AT&T Communications of Nevada, Inc.  
AT&T Communications of New England, Inc.  
AT&T Communications of New Jersey, Inc.  
AT&T Communications of New York, Inc.  
AT&T Communications of Ohio, Inc.  
AT&T Communications of Pennsylvania, Inc.  
AT&T Communications of the Midwest, Inc.  
AT&T Communications of the Mountain States, Inc.  
AT&T Communications of the Pacific Northwest, Inc.  
AT&T Communications of the South Central States, Inc.  
AT&T Communications of the Southern States, Inc.  
AT&T Communications of the Southwest, Inc.  
AT&T Communications of Virginia, Inc.  
AT&T Communications of Washington, D.C., Inc.  
AT&T Communications of West Virginia, Inc.  
AT&T Communications of Wisconsin, Inc.

**ORDER**

Adopted: January 30, 1989; Released: February 1, 1989

By the Commission: Commissioner Dennis concurring  
in the result.

**I. INTRODUCTION AND BACKGROUND**

1. In this Order, we prescribe depreciation rates and amortizations for American Telephone and Telegraph Company's (AT&T) 22 interexchange companies (IXCs). These companies filed requests in May 1988, pursuant to Section 43.43 of our rules, for changes in their prescribed annual depreciation rates. We developed the depreciation rates and amortizations prescribed herein after considering the studies underlying AT&T's May filing, AT&T's subsequent revisions, analyses prepared by the staff of the Common Carrier Bureau (the Bureau) and the comments of interested parties. The estimated impact of these changes is an increase in AT&T's annual depreciation expense of 171 million.

2. Depreciation is the loss of service value incurred in connection with the use and prospective retirement of telecommunications plant from known causes, the effect

of which can be forecast with reasonable accuracy.<sup>1</sup> Depreciation accounting is the mechanism through which the loss in service value is distributed to operating expense during the service life of the plant. This Commission is authorized to prescribe depreciation rates to compute the allowable depreciation expense for telephone common carriers as part of our responsibilities under the Communications Act of 1934.<sup>2</sup>

3. The calculation of depreciation rates is an important factor in the determination of a carrier's revenue requirement. Depreciation accounting has two primary effects. First, the depreciation expense is included directly as a part of a carrier's revenue requirement and is recovered through the ratemaking process. Second, the accumulated depreciation charged to expense, commonly described as the depreciation reserve, is deducted from the rate base and therefore affects the return component of a carrier's revenue requirement.

**II. REVIEW PROCEDURES**

4. This Commission's practice is to review and revise, as necessary, depreciation rates for approximately one-third of the larger FCC subject domestic carriers each year. Carriers scheduled for review submit studies of plant lives and salvage factors which serve as the basis for the review. Based on the results of the review, the staff recommends new depreciation rates. Also, to meet unusual circumstances such as dying accounts<sup>3</sup> or substantial reserve imbalances,<sup>4</sup> the staff may recommend that we prescribe amortization amounts.

5. In the *1985 AT & T Depreciation Rates Order*,<sup>5</sup> we prescribed depreciation rates and amortizations for AT&T's 22 IXCs. In early 1988, AT&T submitted a full depreciation study (*i.e.*, a study of the equipment service lives, net salvage values and mortality dispersion patterns) for all of the IXCs' accounts, and argued that modifications to those prescribed depreciation rates and amortizations were required to correct problems that had arisen since the 1985 prescription. The Bureau conducted a cursory review of that study, and decided to conduct a detailed analysis of six accounts of the IXCs. AT&T accordingly submitted a revised study that contained new depreciation factors for the six designated accounts but otherwise contained the previously authorized factors. AT&T proposed to amortize the reserve deficiencies of its IXCs in all 48 jurisdictions, including new amortizations in the 13 jurisdictions where we granted amortization authority in the *1985 AT & T Depreciation Rates Order*.

6. The Bureau thoroughly reviewed the studies submitted by AT&T, and obtained additional information regarding the studies from AT&T before preparing its own preliminary analysis. Pursuant to Section 220(i) of the Communications Act, 47 USC § 220(i), the Bureau transmitted these analyses on September 2, 1988 to each respective state commission. Those commissions were invited to provide their views thereon before the Bureau developed a formal proposal.

7. Several state commissions responded to the Bureau's September 2, 1988 letter. The Bureau discussed the various issues raised by the states with representatives of AT&T and the state commission staffs. At the conclusion of these discussions, AT&T filed, on September 21, 1988, revised proposals for the prescription of revised depreciation rates and amortizations.

8. In a *Public Notice* released October 7, 1988,<sup>6</sup> the Bureau proposed depreciation rates and amortization amounts based on the results of the review process, and described the impact the proposal would have on AT&T's annual depreciation expenses. The Bureau proposed a four-year amortization of the IXCs' reserve imbalances in all 48 jurisdictions. The Bureau transmitted a copy of the *Public Notice* and a list of the depreciation factors used to calculate its recommended rates and amortizations to AT&T and each state commission. Interested parties were invited to file comments. The Arizona Corporation Commission (Arizona), the Indiana Utility Regulatory Commission staff (Indiana Staff) and The General Services Administration (GSA) filed comments, and AT&T filed reply comments.

### III. DISCUSSION

9. No party herein opposes the proposed life and salvage factors, the proposed effective date or the proposal to amortize dying accounts.<sup>7</sup> We find that the record supports those proposals, and we accordingly adopt them. All issues raised by the commenting parties relate to the use of amortization procedures to eliminate the IXCs' overall reserve deficiency.<sup>8</sup> We discuss the technical issues and those objections below.

#### A. Propriety of Amortizing the Reserve Imbalances

##### 1. Positions of the Parties

10. The Indiana Staff and GSA assert that there is no need for us to amortize the IXCs' reserve imbalances. They state that the remaining-life depreciation methodology is the more appropriate procedure for the elimination of AT&T's reserve imbalances. The Indiana Staff asserts that the theoretical reserve is a flawed measure upon which to base an amortization, because it is dependent upon variables that fluctuate greatly from year to year.<sup>9</sup> It prefers the use of remaining-life procedures for capital recovery because the recovery period is based upon an examination of the life indications of the plant, rather than upon an "arbitrary" amortization period.<sup>10</sup> The Indiana Staff also asserts that remaining-life procedures are more consistent and equitable than use of amortizations, because the company's present day customers will bear a greater burden of increased depreciation charges if an amortization period less than the remaining life is used.<sup>11</sup>

11. GSA also asserts that use of remaining-life depreciation procedures is a better methodology than amortization. It asserts that remaining-life procedures "work through the depreciation rate rather than through a separate amortization mechanism. This means that if plant is written off, it no longer incurs depreciation nor does it incur reserve deficiency recovery after it ceases to be recognized on the Company's books."<sup>12</sup> GSA also states that remaining-life depreciation avoids a sudden increase in revenue requirements when the amortization begins and ends, and creates a steady stream of recovery that "better represents the long term condition of the company's capital recovery program."<sup>13</sup>

12. In its Reply Comments, AT&T states that the Indiana Staff and GSA ignore Commission decisions that approve the use of amortization. It notes that a theoretical reserve is normally used to calculate a reserve imbalance, and that many of the factors used to calculate amortiza-

tions are also used in the remaining-life methodology.<sup>14</sup> Moreover, AT&T claims that this Commission concluded in the *Amortization Order* that the use of amortizations is not unfair to present ratepayers, and that in fact deferral of the recovery of a reserve deficiency is unfair to future ratepayers.<sup>15</sup> Finally, AT&T states that the use of remaining-life procedures to recover the reserve deficiency would unlawfully deny AT&T its "legal right to a reasonable opportunity to recover its invested capital", citing the "intensely and increasingly competitive" interexchange market.<sup>16</sup>

#### 2. Discussion

13. We agree that remaining-life procedures are effective in preventing reserve imbalances and will correct existing reserve imbalances over the long term. However, as we concluded in the *Amortization Order*, amortization procedures are more appropriate under certain circumstances. This is such a situation. AT&T's IXC reserve deficit of almost one-half billion dollars is substantial.<sup>17</sup> We are concerned that our continuation of the remaining-life procedure is not adequate to bring about a timely closure of the gap between AT&T's theoretical and book reserves. The continued application of the current remaining-life procedures would not fully eliminate the reserve deficiency for many years in some accounts.<sup>18</sup> Because the IXCs operate in a rapidly changing technological environment, we cannot be certain that the marketplace forces which the IXCs may have to face in the future would permit recovery of their reserve deficiency at that time. Therefore, in order to allow AT&T an opportunity to recover its reserve deficiency in a timely manner, we find, as we did for the LECs, that it is generally preferable to amortize the IXCs' reserve deficiency (subject to the considerations discussed below) rather than to rely only on remaining-life depreciation procedures.

#### B. Use of Amortization Under Current Conditions

##### 1. Positions of the Parties

14. In its comments GSA states that the proposed amortization of AT&T's reserve deficiency is inconsistent with this Commission's proposal in CC Docket 87-313 (the "price cap" proceeding).<sup>19</sup> GSA expresses its concern that if the proposed amortization is implemented prior to the calculation of AT&T's price caps, AT&T will enjoy a higher starting point for the revised form of regulation. GSA also states that the proposed reserve imbalance amortization is inappropriate because AT&T may soon "write off" part of its analog plant investment.<sup>20</sup> GSA is concerned that analog plant accounts for 44% of AT&T's reserve deficiency, and that if this plant is written off ratepayers would be required to compensate AT&T through the amortization charges for plant whose value has disappeared. Moreover, according to GSA, if AT&T writes off investment from the analog plant accounts when this Commission has approved amortization of the associated reserve deficiency, "there will be a mismatch between depreciation and amortization."<sup>21</sup> It contends that if AT&T "writes off" investment in the analog equipment plant accounts, the depreciation expenses associated therewith would normally decline because the depreciation rates would be applied to a smaller account balance. However, the use of amortization procedures in such a case would, in GSA's view, continue to generate the

higher depreciation expenses even though the account balance had been reduced. It concludes that amortization under these circumstances would violate fundamental regulatory principles because ratepayers would be required to compensate the company for plant that is no longer "used and useful" in rendering utility service.<sup>22</sup>

15. AT&T responds that the possible adoption of "price cap" regulation does not preclude the use of amortization to eliminate its reserve deficiency. It states that GSA ignores this Commission's proposal to lower a carrier's price caps to reflect the end of a reserve deficiency amortization.<sup>23</sup> AT&T also claims that a possible "write down" of its investment is no reason to deny amortization, because GSA is confusing AT&T's depreciation practices for financial reporting with those practices for regulatory purposes. It asserts that any write down only would be for financial purposes and would have no effect on its regulated investment or depreciation rates. AT&T also claims that it is entitled to capital recovery as a matter of law even after the plant has been retired if the investors have not been afforded an opportunity to be made whole prior to retirement.<sup>24</sup>

## 2. Discussion

16. GSA's concerns about the impact of amortization on price cap regulation are unfounded. As AT&T notes, we have proposed to reflect the end of an amortization in our proposed price cap methodology.<sup>25</sup> As to the effect of the write down of its assets, we note that AT&T's asset value and depreciation expenses are determined separately for financial reporting and regulatory purposes.<sup>26</sup> Any write down by AT&T for financial reporting purposes has no effect on regulated investment amounts or prescribed depreciation expenses. Moreover, the plant subject to a write down has not necessarily been removed from service. We are not in this *Order* prescribing depreciation rates that reflect the write down, and, since the plant is still on the books for regulatory purposes and is still used and useful, there is no reason to deny amortization authority on this basis.

## C. Scope and Duration of Amortization

### 1. Positions of the Parties

17. GSA states in its comments that the four-year amortization proposed for all of the IXC's, including the 13 jurisdictions where we previously granted amortizations, is inconsistent with the amortization prescribed for the local exchange carriers (LECs). In the *Amortization Order*, we prescribed a five-year amortization for all LECs that had not previously been granted authority to amortize their reserve deficiencies, and declined to prescribe any new amortization for a LEC that had previously received such authority.<sup>27</sup>

18. AT&T contends that the four-year amortization in all jurisdictions is appropriate because the competitive market in which it operates justifies faster capital recovery than is applicable to the LECs, and notes that a four-year amortization for the IXC's would end at the same time as the five-year period prescribed for the LECs.<sup>28</sup> AT&T also asserts that GSA incorrectly claims that a new amortization in the 13 jurisdictions would "layer" a new amortization over an existing amortization, because the new amortization would replace the old amortization, which would be discontinued as of January 1, 1988.<sup>29</sup>

## 2. Discussion

19. We do not agree that our prescription of a four-year amortization period for the IXC's herein is inconsistent with previous amortization actions. The *Amortization Order* considered amortization procedures only for the LECs, and there is no compelling reason why the amortization period prescribed for the LECs is appropriate for AT&T. We have reviewed the need to amortize AT&T's reserve deficiency on two previous occasions, and our proposed four-year amortization period is consistent with that precedent. In the *1985 AT & T Depreciation Rates Order*, we prescribed amortizations of varying duration, but with an average of 4.1 years, for the 13 IXC's.<sup>30</sup> Moreover, we reviewed the need for amortization of the depreciation reserve deficiency of AT&T's Interstate Division (the former Long Lines Department) in 1985, and concluded that a four-year period was required because competition in the interstate market would develop in a few years to the point where recovery of the reserve deficiency will be unlikely.<sup>31</sup> The IXC's and the Interstate Division are part of AT&T's integrated network and a four-year period for both operations is accordingly appropriate.

20. However, we conclude that the record does not contain adequate reason to prescribe new amortizations to eliminate the reserve imbalances for the 13 AT&T jurisdictions for which we previously prescribed amortizations. The 13 amortizations that we prescribed in the *1985 AT & T Depreciation Rates Order* were designed to eliminate the reserve deficiencies over a reasonable period, but were not meant to be continued beyond their prescribed duration or replaced with a new amortization. As is shown in Appendix A, the reserve imbalances in those 13 jurisdictions have declined so as to be relatively small compared to the overall problem, and in two jurisdictions there is no deficiency to amortize. We are confident that the remaining deficiencies will be eliminated with continued use of remaining-life procedures. As we stated in the *Amortization Order*, we view the use of amortization procedures to eliminate a reserve deficiency to be a one-time action unless there are compelling reasons applicable to a carrier's particular situation.<sup>32</sup> Accordingly, the rates and amortizations contained in Appendix B do not reflect new reserve deficiency amortizations for the 13 IXC's currently subject to such amortization authority.

## D. Calculation of Reserve Deficiency

### 1. Positions of the Parties

21. GSA asserts that the calculation of the reserve deficiency, as reflected in the October 7 *Public Notice*, is incomplete because the staff analyzed only six of the 22 plant accounts. It states that if the other accounts had been studied, the analysis might have yielded revenue surpluses to offset the reserve deficiency for the six accounts.<sup>33</sup> The Indiana Staff also asserts that the data in the *Public Notice* fail to reflect that there is an overstatement of required depreciation expense for AT&T Communications of Indiana, Inc. According to the Indiana Staff, AT&T has an overall surplus of 664,000 in its book reserve in Indiana and accordingly there is no need for amortization in that jurisdiction.

22. AT&T asserts that, viewed in the aggregate, the IXC's have a reserve deficiency although it acknowledges that there is a reserve surplus in certain accounts. In its view, there is no factual basis to support GSA's concern that

there may be an overall IXC reserve surplus. AT&T states that the six accounts studied (*i.e.*, for which updated life and salvage values were determined) represent 72% of the IXCs' plant in service, and that the life and salvage parameters in the other accounts had been approved in AT&T's prior IXC depreciation filing.<sup>34</sup> AT&T further states that the situation in Indiana does not make amortization there inappropriate, but only that there is a reserve surplus "that should be corrected expeditiously, in conformance with Commission practice."<sup>35</sup>

## 2. Discussion

23. We do not believe that the procedure adopted in this proceeding for calculation of the reserve deficiency is faulty or incomplete. First, as noted in para. 5 above, the staff initially conducted a cursory review of AT&T's overall depreciation reserve situation. Based on that overall review, the staff decided to conduct a detailed study of the depreciation factors for six major IXC accounts. These accounts were selected because AT&T's study indicated the existence of major changes therein since 1985, and because those accounts include more than one-half of the IXCs' plant. A substantial amount of the remaining investment is in the Buildings account. The assets in the Buildings account have a projected life of 56 years, and the life of this account is relatively stable. It is pure conjecture on the part of GSA that placement of new electronic switching equipment may have increased the average service life of the Buildings account, or that analysis of any other accounts would have produced significant differences in the prescribed depreciation factors. Moreover, in accordance with the formula set forth in the *Amortization Order*,<sup>36</sup> we have calculated the amortization amounts prescribed herein by considering all accounts, thus addressing the reserve deficiencies in certain accounts and the surpluses in other accounts. In summary, there is no reason to believe that a more detailed review of AT&T's depreciation parameters would have a material impact on our calculations herein.<sup>37</sup> The study was sufficient in scope to develop the data we require to make a decision as to the need for amortization, and the cost of conducting a detailed review of all accounts would outweigh any benefits to be derived therefrom. Finally, we are not prescribing amortization of the reserve imbalances of the two IXCs that have overall surpluses because they were previously granted amortization authority (*see* para. 20, *supra*). We accordingly have granted the Indiana Staff's request that we not institute a new amortization for that jurisdiction.

### E. Amortizations for Dying Accounts

24. In the preceding sections we discussed the use of an amortization procedure to recover reserve imbalances. The use of such a procedure, along with a remaining-life rate, will allow for full depreciation of plant investment over its life. As noted in several previous orders<sup>38</sup> we determined that our remaining-life procedures engender a number of technical problems when applied to accounts that are rapidly being phased out (*i.e.*, "dying accounts"). For example, if the final date of termination of service is mis-forecast by as little as a few months, the depreciation rates can swing drastically. The most practical way of resolving this problem is to apply an amortization procedure which adjusts the depreciation expense each month

to reflect accounting activity.<sup>39</sup> This allows the carriers to reduce the account balance to zero in relatively even increments.

25. During the review of the IXC studies, the Bureau identified "dying accounts" in nine jurisdictions and concluded after thorough review that the use of an amortization procedure to resolve these reserve imbalances is consistent with this Commission's policy and practice. Eight of the nine accounts were identified in the proposed parameter report attached to our September 2, 1988 letters to the respective state commissions requesting their views.<sup>40</sup> No commenting parties objected to this proposal for these accounts. We conclude that special amortization procedures should be used for the jurisdictions, accounts and amortization periods indicated below:

AT&T Communications of	Jurisdiction	Account	Amortization Period (Months)
Delaware, Inc.	Delaware	Computers	36
New Jersey, Inc.	New Jersey	Crossbar	36
Ohio, Inc.	Ohio	Crossbar	12
Pennsylvania, Inc.	Pennsylvania	Crossbar	12
The Mountain States, Inc.	Arizona	Crossbar	12
The Mountain States, Inc.	Colorado	Crossbar	12
The Mountain States, Inc.	Utah	Analog ESS	36
The South Central States, Inc.	Louisiana	Analog ESS	12
The Southern States, Inc.	South Carolina	Analog ESS	36

26. The special procedure for calculating the amortization for dying accounts is as follows:

1. Determine the net service value (*i.e.*, gross book cost less book reserve less future net salvage estimate) at the beginning of each month.
2. Divide the net service value determined in Step 1 by the number of months remaining in the amortization period. For example, if the amortization period is 36 months, the first month's amortization is 1/36 of the net service value at the beginning of the first month. The second month's amortization is 1/35 of the net service value at the beginning of the second month, and so on.

### F. Effective Date

27. AT&T has requested an effective date of January 1, 1988 for the charges applicable to all of its IXCs. Inasmuch as these requested effective dates are in accordance with our rules and our past depreciation orders,<sup>41</sup> and no objections were raised regarding these effective dates, we hereby adopt them.

### G. Submission of Whole - Life Depreciation Parameters

28. In the depreciation prescription orders which we have approved since our decision in *Property Depreciation*,<sup>42</sup> we have required that depreciation filings include whole-life rates so that we could determine the size of the

depreciation reserve imbalance and the speed with which our actions were resolving the imbalance. Because of our continued interest in these matters, we require carriers named herein to continue to file whole-life rates that are consistent with the prescribed rates until notified to the contrary.

#### H. Conclusion

29. Having considered the carriers' proposals, and the studies upon which those proposals are based, the views and recommendations of the states, the responses to the Public Notice, and the Bureau's studies and analyses, we adopt the depreciation rates, amortization amounts, and effective dates listed in Appendix B.

#### IV. ORDERING CLAUSES

30. ACCORDINGLY IT IS ORDERED, pursuant to Sections 4(i), 201-205 and 220(b) of the Communications Act of 1934, as amended, 47 U.S.C. Sections 154(i), 201-205 and 220(b), that the percentages of depreciation and amortization amounts set forth in Appendix B to this Order ARE PRESCRIBED, effective on the dates listed.

31. IT IS FURTHER ORDERED, That This Order IS EFFECTIVE UPON ADOPTION.

#### FEDERAL COMMUNICATIONS COMMISSION

Donna R. Searcy  
Secretary

#### FOOTNOTES

<sup>1</sup> 47 C.F.R Section 32.9000

<sup>2</sup> See generally 47 U.S.C. Section 220(b). In recent years, we have also prescribed amortization amounts to resolve depreciation accounting problems. See *Amortization of Depreciation Reserve Imbalances of Local Exchange Carriers, Report and Order*, 3 FCC Rcd 984 (1988) (hereinafter *Amortization Order*). An amortization dollar amount is a specific amount to be charged to depreciation expense each year, as opposed to a depreciation rate which is applied to the plant investment to determine the depreciation expense charge.

<sup>3</sup> See para. 24, *infra*.

<sup>4</sup> See note 8, *infra*.

<sup>5</sup> The Prescription of Revised Depreciation Rates for: AT&T Communications of California, Inc. *et al.*, FCC 85-568 (released October 23, 1985) (*1985 AT & T Depreciation Rates Order*), *recon.*, FCC 86-185 (released April 18, 1986).

<sup>6</sup> Depreciation Rate Prescriptions Proposed For American Telephone and Telegraph Company's Twenty-Two Operating Companies - Pleading Cycle Established, *Public Notice*, 3 FCC Rcd 6389 (1988).

<sup>7</sup> Arizona's comments are limited to a general support of the proposed depreciation rates and amortizations.

<sup>8</sup> A reserve imbalance exists when a carrier's book reserve does not match its theoretical reserve. The imbalance is a reserve deficiency when the book reserve is less than the theoretical reserve. The theoretical reserve is the amount that "should" be in the reserve (*i.e.*, the amount that would be in the reserve

if the current life and salvage estimates had been used from the day the plant was placed in service). See generally *Amortization Order*, 3 FCC Rcd at 985.

<sup>9</sup> Indiana Staff Comments at 2.

<sup>10</sup> *Id.* at 3.

<sup>11</sup> *Id.*

<sup>12</sup> GSA Comments at 7. We note that this statement does not correctly describe the manner in which remaining-life depreciation procedures work. See para. 16, *infra*.

<sup>13</sup> *Id.* at 7-8.

<sup>14</sup> AT&T Reply Comments at 3-4.

<sup>15</sup> *Id.* at 4.

<sup>16</sup> *Id.* at 5-6.

<sup>17</sup> In our analysis of the AT&T IXCs, we estimate their theoretical reserve ratio to be 40% as of January 1, 1988. The book ratio was 34.5%, resulting in a reserve deficit of 5.5%, or 480 million.

<sup>18</sup> For example, for the Circuit Analog Account, the deficiency would not be resolved for at least 10 years.

<sup>19</sup> GSA Comments at 3-4.

<sup>20</sup> GSA cites *Telecommunications Reports*, October 24, 1988 at 30. AT&T subsequently announced a write down in the value of its analog equipment of \$5.6 billion. *Wall Street Journal*, December 2, 1988 at A3.

<sup>21</sup> GSA Comments at 5.

<sup>22</sup> *Id.*

<sup>23</sup> See Policy and Rules Concerning Rates for Dominant Carriers, *Further Notice of Proposed Rule Making*, 3 FCC Rcd 3195, 3421 (1988).

<sup>24</sup> AT&T Reply Comments at 7-8.

<sup>25</sup> See note 23, *supra*.

<sup>26</sup> AT&T Reply Comments at 8.

<sup>27</sup> GSA Comments at 6-7. See *Amortization Order*, 3 FCC Rcd at 988-9.

<sup>28</sup> AT&T Reply Comments at 13-14.

<sup>29</sup> *Id.* at 14

<sup>30</sup> *1985 AT & T Depreciation Rates Order*, note 5, *supra*, at para. 7. We declined to establish a uniform amortization period in 1985 because of our reliance at that time on state concurrence in the proposed amortization. Because we no longer require that the IXCs have state commission concurrence, we now prescribe a uniform amortization. See generally *Amortization Order*, 3 FCC Rcd at 984-5.

<sup>31</sup> The Prescription of Revised Depreciation Rates for AT&T Communications - Interstate Division, 101 FCC 137, 141 (1985).

<sup>32</sup> *Amortization Order*, 3 FCC Rcd at 988-9.

<sup>33</sup> GSA Comments at 6. GSA specifically refers to the fact that the staff did not analyze the Buildings account, which is a relatively large account.

<sup>34</sup> AT&T Reply Comments at 9-10.

<sup>35</sup> *Id.* at 10.

<sup>36</sup> *Amortization Order*, 3 FCC Rcd at 990.

<sup>37</sup> In any event, we will, of course, be reviewing the depreciation parameters of the IXCs in three years, and we can take action as needed at that time with respect to the accounts that were not studied in detail during this review.

<sup>38</sup> See, *e.g.*, *1985 AT&T Depreciation Rates Order*, *supra*, at para. 15.

<sup>39</sup> See, e.g., The Prescription of Revised Percentages of Depreciation pursuant to Section 220(b) of the Communications Act of 1934, as amended, for: American Telephone and Telegraph Company *et al.*, 96 FCC 2d 257 (1983).

<sup>40</sup> The ninth account, computers in Delaware, is not a "dying account" as that term is normally used because the account is not being phased out. However, we are treating it as such in this proceeding because failure to amortize the account balance would require us to prescribe an extremely high depreciation rate of approximately 500 percent.

<sup>41</sup> See, e.g., The Prescription of Revised Percentages of Depreciation Pursuant Section 220(b) of the Communications Act of 1934 as amended for: American Telephone and Telegraph Company, Long Lines Department, 88 FCC 2d 1223 (1982).

<sup>42</sup> Amendment of Part 31 (Uniform System of Accounts for Class A and Class B Telephone Companies), 83 FCC 2d 267 (1980) (*Property Depreciation*), *reconsideration*, 87 FCC 2d 916 (1981), *Supplemental Opinion and Order*, 87 FCC 2d 1112 (1981).

## APPENDIX A

AT&T COMMUNICATIONS  
Reserve Imbalance for Thirteen IXC Jurisdictions With Prior Amortizations

<u>AT&amp;T Communications of</u>	<u>Jurisdiction</u>	<u>Reserve Imbalance As of January 1, 1988 (\$000)</u>
Delaware, Inc.	Delaware	-962
Illinois, Inc.	Illinois	10,210
Indiana, Inc.	Indiana	-664
Nevada, Inc.	Nevada	2,899
New Jersey, Inc.	New Jersey	8,253
the Midwest, Inc.	Nebraska	1,694
the Mountain States, Inc.	Utah	6,106
the Pacific Northwest, Inc.	Oregon	2,130
South Central States, Inc.	Mississippi	1,993
Southern States, Inc.	Georgia	9,258
Southwest, Inc.	Texas	36,877
Virginia, Inc.	Virginia	12,236
Washington, D.C.	Dist. of Columbia	<u>3,211</u>
Sub-Total		93,241
Total For All AT&T IXCs		479,022

Note: The Reserve Imbalance represents the difference between the theoretical reserve and the book reserve based on the depreciation factors prescribed in this Order. A positive number represents a reserve deficiency; a negative number represents a reserve surplus.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF CALIFORNIA, INC.

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	
	A	B	C	D=(100%-B-C)/A	E	F
2112 MOTOR VEHICLES	1.7	15.0	79.6	3.2	0	1984
2116 TOOLS & OWE	6.3	9.0	45.5	7.2	-10	1984
2121 BUILDINGS	42.0	3.0	22.3	1.8	275	1984
2122 FURNITURE	10.8	5.0	37.0	5.4	26	1984
2123 OFFICE EQPT	6.8	2.0	27.9	10.3	-9	1984
2124 COMPUTERS	3.6	5.0	85.2	2.7	0	1984
2211 COE ELEC-ANALOG	2.1	1.0	48.6	24.0	0	
2212 COE ELEC-DIG	11.9	1.0	25.8	6.2	-523	1983
2215 CROSSBAR	-	-	100.0	5.0	0	
2220 COE OP SYS-OTH	3.1	1.0	6.9	29.7	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	4.9	-10.0	63.6	9.5	6024	1983
2232 COE CIR-DIGITAL	7.4	1.0	25.0	10.0	-1032	1983
2232 COE CIR-ANALOG	5.4	-1.0	48.1	9.8	6042	1983
2351 PUB TEL TERM EQ	11.1	0.0	11.9	7.9	-51	1988
2362 OTHER TERM EQ	7.7	-2.0	28.2	9.6	-18	1988
2411 POLES	7.3	-42.0	82.5	8.2	5	1982
2421 AERIAL CABLE	13.2	8.0	56.6	2.7	34	1982
2422 UNDERGRND CABLE	19.3	15.0	24.1	3.2	2137	1982
2423 BURIED CABLE	8.2	-4.0	69.9	4.2	1155	1982
2424 SUBMARINE CABLE	15.0	-3.0	48.4	3.6	-15	1982
2441 CONDUIT SYSTEMS	49.0	-10.0	7.4	2.1	-37	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF DELAWARE, INC.

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2116 TOOLS & OWE	13.6	9.0	7.4	6.1	0	1983
2121 BUILDINGS	39.0	3.0	0.7	2.5	0	1983
2122 FURNITURE	9.7	5.0	51.3	4.5	1	1983
2123 OFFICE EQPT	8.3	5.0	57.3	4.5	0	1983
2124 COMPUTERS	-	5.0	-	-	- @	1983
2220 COE OP SYS-OTH	-	-	99.0	5.0	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.8	-10.0	10.7	17.1	0	1983
2232 COE CIR-DIGITAL	6.2	1.0	11.9	14.0	0	1983
2232 COE CIR-ANALOG	5.9	-1.0	53.9	8.0	-4	1983
2351 PUB TEL TERM EQ	11.3	0.0	34.7	5.8	0	1988
2421 AERIAL CABLE	14.7	8.0	59.0	2.2	1	1982
2422 UNDERGRND CABLE	19.7	15.0	15.6	3.5	2	1982
2423 BURIED CABLE	9.3	-4.0	101.0	0.3	1	1982
2441 CONDUIT SYSTEMS	12.2	-10.0	99.4	0.9	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985, are continued.

@ As described in paragraph 25 of the Order, the net service value for the Computers Account is to be amortized over a three year period ending December 31, 1990.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF ILLINOIS, INC.

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	First Year ELG
	(years)	(%)	(%)	(%)	
	A	B	C	D=(100%-B-C)/A	E
2112 MOTOR VEHICLES	-	-	85.0	5.0	1985
2116 TOOLS & OWE	6.5	9.0	46.1	6.9	1985
2121 BUILDINGS	41.0	3.0	21.4	1.8	1985
2122 FURNITURE	11.3	5.0	40.4	4.8	1985
2123 OFFICE EQPT	10.6	5.0	44.8	4.7	1985
2124 COMPUTERS	-	-	95.0	5.0	1985
2211 COE ELEC-ANALOG	11.0	1.0	31.2	6.2	1983
2212 COE ELEC-DIG	11.6	1.0	17.5	7.0	1983
2215 COE CROSSBAR	-	-	100.0	5.0	
2220 COE OP SYS-OTH	2.7	1.0	73.2	9.6	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	
2231 COE RADIO	5.0	-10.0	45.7	12.9	1983
2232 COE CIR-DIGITAL	6.6	1.0	16.4	12.5	1983
2232 COE CIR-ANALOG	4.9	-1.0	49.6	10.5	1983
2351 PUB TEL TERM EQ	11.3	0.0	21.3	7.0	1988
2411 POLES	8.2	-42.0	88.4	6.5	1982
2421 AERIAL CABLE	18.8	8.0	23.3	3.7	1982
2422 UNDERGRND CABLE	12.1	15.0	48.5	3.0	1982
2423 BURIED CABLE	19.1	-4.0	17.9	4.5	1982
2424 SUBMARINE CABLE	4.3	-3.0	91.5	2.7	1982
2441 CONDUIT SYSTEMS	46.0	-10.0	6.5	2.3	1982

The figures in Columns B, C and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF INDIANA, INC.

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	F
		A	B	C	D=(100%-B-C)/A	E	
2112	MOTOR VEHICLES	1.5	15.0	79.9	3.4	0	1985
2116	TOOLS & OWE	6.3	9.0	54.6	5.8	5	1985
2121	BUILDINGS	40.0	3.0	14.1	2.1	37	1985
2122	FURNITURE	11.6	5.0	46.1	4.2	3	1985
2123	OFFICE EQPT	10.3	5.0	52.1	4.2	0	1985
2124	COMPUTERS	2.5	5.0	77.4	7.0	0	1985
2211	COE ELEC-ANALOG	4.4	1.0	28.0	16.1	0	
2212	COE ELEC-DIG	11.9	1.0	18.2	6.8	559	1983
2215	COE CROSSBAR	-	-	100.0	5.0	0	
2220	COE OP SYS-OTH	-	-	99.0	5.0	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	4.5	-10.0	56.3	11.9	-528	1983
2232	COE CIR-DIGITAL	7.0	1.0	23.0	10.9	0	1983
2232	COE CIR-ANALOG	5.2	-1.0	49.9	9.8	-895	1983
2351	PUB TEL TERM EQ	11.3	0.0	-11.5	9.9	0	1988
2411	POLES	8.7	-42.0	72.3	8.0	22	1982
2421	AERIAL CABLE	9.5	8.0	57.8	3.6	231	1982
2422	UNDERGRND CABLE	8.7	15.0	64.5	2.4	15	1982
2423	BURIED CABLE	12.9	-4.0	41.6	4.8	29	1982
2424	SUBMARINE CABLE	3.7	-3.0	92.7	2.9	-4	1982
2441	CONDUIT SYSTEMS	54.0	-10.0	6.8	1.9	-58	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985, are continued.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF MARYLAND, INC.

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	F
		A	B	C	D=(100%-B-C)/A	E	
2116	TOOLS & OWE	8.9	9.0	32.3	6.6	-9	1985
2121	BUILDINGS	42.0	3.0	16.4	1.9	122	1985
2122	FURNITURE	12.3	5.0	29.3	5.3	1	1985
2123	OFFICE EQPT	12.5	5.0	32.8	5.0	0	1985
2124	COMPUTERS	4.7	5.0	11.6	17.7	14	1983
2211	COE ELEC-ANALOG	9.5	1.0	48.7	5.3	1	1983
2212	COE ELEC-DIG	11.6	1.0	29.0	6.0	-9	1983
2215	COE CROSSBAR	7.3	0.0	29.1	9.7	0	
2220	COE OP SYS-OTH	2.6	1.0	64.2	13.4	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	5.6	-10.0	37.1	13.0	270	1983
2232	COE CIR-DIGITAL	6.9	1.0	23.9	10.9	-11	1983
2232	COE CIR-ANALOG	4.9	-1.0	39.8	12.5	127	1983
2351	PUB TEL TERM EQ	11.2	0.0	10.4	8.0	-23	1988
2421	AERIAL CABLE	11.8	8.0	57.6	2.9	0	1982
2422	UNDERGRND CABLE	10.9	15.0	50.6	3.2	-57	1982
2423	BURIED CABLE	10.4	-4.0	58.9	4.3	-207	1982
2424	SUBMARINE CABLE	20.0	-3.0	30.1	3.6	0	1982
2441	CONDUIT SYSTEMS	10.8	-10.0	91.3	1.7	68	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF MICHIGAN, INC.

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	F
	A	B	C	$D=(100\%-B-C)/A$	E	
2112 MOTOR VEHICLES	1.3	15.0	81.8	2.5	0	1983
2116 TOOLS & OWE	7.1	9.0	41.7	6.9	-65	1983
2121 BUILDINGS	38.0	3.0	25.5	1.9	-232	1983
2122 FURNITURE	10.8	5.0	32.3	5.8	-10	1983
2123 OFFICE EQPT	10.5	5.0	36.9	5.5	-1	1983
2124 COMPUTERS	-	-	95.0	5.0	0	1983
2211 COE ELEC-ANALOG	3.4	1.0	33.1	19.4	0	
2212 COE ELEC-DIG	11.8	1.0	14.3	7.2	200	1983
2215 COE CROSSBAR	-	-	100.0	5.0	0	
2220 COE OP SYS-OTH	1.1	1.0	61.3	34.3	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.1	-10.0	59.0	10.0	389	1983
2232 COE CIR-DIGITAL	6.3	1.0	14.7	13.4	85	1983
2232 COE CIR-ANALOG	5.4	-1.0	49.6	9.5	105	1983
2351 PUB TEL TERM EQ	11.5	0.0	8.7	7.9	-28	1988
2411 POLES	5.8	-42.0	95.0	8.1	28	1982
2421 AERIAL CABLE	8.6	8.0	68.0	2.8	-20	1982
2422 UNDERGRND CABLE	14.5	15.0	37.4	3.3	5	1982
2423 BURIED CABLE	21.0	-4.0	9.0	4.5	-4	1982
2441 CONDUIT SYSTEMS	25.0	-10.0	65.2	1.8	3	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF NEVADA, INC

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	F
		A	B	C	D=(100%-B-C)/A	E	
2112	MOTOR VEHICLES	-	-	85.0	5.0	0	1984
2116	TOOLS & OWE	7.9	9.0	50.2	5.2	8	1984
2121	BUILDINGS	41.0	3.0	22.0	1.8	-306	1984
2122	FURNITURE	10.4	5.0	47.0	4.6	2	1984
2123	OFFICE EQPT	8.4	4.0	32.7	7.5	0	1984
2124	COMPUTERS	3.9	5.0	30.5	16.5	0	1983
2211	COE ELEC-ANALOG	10.3	1.0	29.1	6.8	0	1983
2212	COE ELEC-DIG	12.5	1.0	15.1	6.7	72	1983
2220	COE OP SYS-OTH	3.1	1.0	61.0	12.3	600	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	4.9	-10.0	49.9	12.3	-394	1983
2232	COE CIR-DIGITAL	6.9	1.0	18.6	11.7	-1	1983
2232	COE CIR-ANALOG	5.6	-1.0	42.8	10.4	-195	1983
2351	PUB TEL TERM EQ	11.2	0.0	4.0	8.6	0	1988
2411	POLES	5.8	-42.0	95.8	8.0	0	1982
2421	AERIAL CABLE	17.2	8.0	46.5	2.6	3	1982
2422	UNDERGRND CABLE	17.8	15.0	30.3	3.1	15	1982
2423	BURIED CABLE	1.2	-4.0	73.9	25.1	-16	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985, are continued.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF NEW ENGLAND, INC.- MAINE

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2116 TOOLS & OWE	6.0	9.0	47.7	7.2	-2	1983
2121 BUILDINGS	39.0	3.0	23.6	1.9	-14	1983
2122 FURNITURE	10.0	5.0	42.8	5.2	-1	1983
2123 OFFICE EQPT	9.1	5.0	44.4	5.6	0	1983
2211 COE ELEC-ANALOG	10.0	1.0	47.7	5.1	0	1983
2212 COE ELEC-DIG	11.9	1.0	11.1	7.4	53	1983
2215 COE CROSSBAR	0.5	0.0	79.3	41.4	0	
2220 COE OP SYS-OTH	2.4	1.0	58.1	17.0	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.0	-10.0	57.6	10.5	87	1983
2232 COE CIR-DIGITAL	6.5	1.0	17.5	12.5	-22	1983
2232 COE CIR-ANALOG	5.0	-1.0	49.5	10.3	-44	1983
2351 PUB TEL TERM EQ	11.7	0.0	3.3	8.3	3	1988
2421 AERIAL CABLE	20.0	8.0	38.4	2.7	0	1982
2422 UNDERGRND CABLE	22.0	15.0	15.6	3.2	0	1982
2423 BURIED CABLE	22.0	-4.0	4.5	4.5	7	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF NEW ENGLAND, INC.- MASSACHUSETTS

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	
	A	B	C	D=(100%-B-C)/A	E	F
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116 TOOLS & OWE	5.7	9.0	50.5	7.1	3	1983
2121 BUILDINGS	43.0	3.0	20.6	1.8	-173	1983
2122 FURNITURE	10.0	5.0	39.7	5.5	0	1983
2123 OFFICE EQPT	7.8	3.0	26.9	9.0	-1	1983
2124 COMPUTERS	2.0	5.0	89.8	2.6	0	1983
2211 COE ELEC-ANALOG	3.5	1.0	17.5	23.3	0	
2212 COE ELEC-DIG	11.6	1.0	16.4	7.1	204	1983
2215 COE CROSSBAR	0.5	0.0	99.0	2.0	0	
2220 COE OP SYS-OTH	1.4	1.0	49.7	35.2	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.0	-10.0	59.5	10.1	-9	1983
2232 COE CIR-DIGITAL	6.9	1.0	23.1	11.0	69	1983
2232 COE CIR-ANALOG	5.2	-1.0	50.5	9.7	908	1983
2351 PUB TEL TERM EQ	11.3	0.0	5.8	8.3	5	1988
2411 POLES	6.8	-42.0	86.6	8.1	-3	1982
2421 AERIAL CABLE	11.5	8.0	30.4	5.4	18	1982
2422 UNDERGRND CABLE	20.0	15.0	16.7	3.4	8	1982
2423 BURIED CABLE	17.8	-4.0	26.9	4.3	71	1982
2424 SUBMARINE CABLE	21.0	-3.0	9.9	4.4	0	1982
2441 CONDUIT SYSTEMS	49.0	-10.0	25.0	1.7	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF NEW ENGLAND, INC. - NEW HAMPSHIRE

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112	MOTOR VEHICLES	2.4	15.0	72.6	5.2	0	1983
2116	TOOLS & OWE	6.9	9.0	39.1	7.5	-5	1983
2121	BUILDINGS	42.0	3.0	23.7	1.7	-14	1983
2122	FURNITURE	8.7	5.0	51.3	5.0	0	1983
2123	OFFICE EQPT	8.8	5.0	45.5	5.6	0	1983
2124	COMPUTERS	3.8	5.0	36.6	15.4	0	1983
2211	COE ELEC-ANALOG	12.7	1.0	19.9	6.2	0	1983
2212	COE ELEC-DIG	12.8	1.0	17.8	6.3	37	1983
2220	COE OP SYS-OTH	1.7	1.0	58.8	23.6	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	5.5	-10.0	43.3	12.1	204	1983
2232	COE CIR-DIGITAL	7.3	1.0	20.4	10.8	-41	1983
2232	COE CIR-ANALOG	5.5	-1.0	50.1	9.3	26	1983
2351	PUB TEL TERM EQ	11.7	0.0	5.6	8.1	-2	1988
2411	POLES	6.5	-42.0	88.7	8.2	-1	1982
2421	AERIAL CABLE	12.9	8.0	56.0	2.8	-2	1982
2422	UNDERGRND CABLE	19.3	15.0	19.1	3.4	2	1982
2423	BURIED CABLE	21.0	-4.0	9.0	4.5	61	1982
2424	SUBMARINE CABLE	-	-	103.0	5.0	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF NEW ENGLAND, INC.- RHODE ISLAND

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	F
	A	B	C	D=(100%-B-C)/A	E	
2116 TOOLS & OWE	8.1	9.0	38.7	6.5	-4	1983
2121 BUILDINGS	40.0	3.0	21.7	1.9	-34	1983
2122 FURNITURE	6.3	5.0	63.8	5.0	0	1983
2123 OFFICE EQPT	5.9	1.0	31.1	11.5	0	1983
2124 COMPUTERS	-	-	95.0	5.0	0	1983
2211 COE ELEC-ANALOG	10.1	1.0	45.2	5.3	1	1983
2212 COE ELEC-DIG	11.9	1.0	10.4	7.4	31	1983
2215 COE CROSSBAR	-	-	100.0	5.0	0	
2220 COE OP SYS-OTH	1.5	1.0	55.2	29.2	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	4.3	-10.0	68.5	9.7	-9	1983
2232 COE CIR-DIGITAL	6.6	1.0	18.3	12.2	-4	1983
2232 COE CIR-ANALOG	4.9	-1.0	54.8	9.4	176	1983
2351 PUB TEL TERM EQ	11.6	0.0	7.9	7.9	-17	1988
2421 AERIAL CABLE	12.2	8.0	59.3	2.7	0	1982
2422 UNDERGRND CABLE	17.2	15.0	28.6	3.3	6	1982
2423 BURIED CABLE	11.8	-4.0	54.9	4.2	15	1982
2424 SUBMARINE CABLE	22.0	-3.0	13.2	4.1	0	1982
2441 CONDUIT SYSTEMS	48.0	-10.0	26.8	1.7	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF NEW ENGLAND, INC.- VERMONT

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	
		A	B	C	D=(100%-B-C)/A	E	F
2116	TOOLS & OWE	6.8	9.0	39.4	7.6	-9	1983
2121	BUILDINGS	43.0	3.0	21.9	1.7	-6	1983
2122	FURNITURE	9.7	5.0	45.2	5.1	0	1983
2123	OFFICE EQPT	11.7	5.0	32.2	5.4	0	1983
2220	COE OP SYS-OTH	2.0	1.0	57.2	20.9	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	4.5	-10.0	61.9	10.7	25	1983
2232	COE CIR-DIGITAL	6.2	1.0	12.5	14.0	1	1983
2232	COE CIR-ANALOG	5.5	-1.0	50.5	9.2	-163	1983
2351	PUB TEL TERM EQ	11.3	0.0	13.1	7.7	-2	1988
2421	AERIAL CABLE	14.7	8.0	52.6	2.7	3	1982
2422	UNDERGRND CABLE	20.0	15.0	19.4	3.3	-5	1982
2423	BURIED CABLE	3.3	-4.0	97.8	1.9	0	1982
2424	SUBMARINE CABLE	-	-	103.0	5.0	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF NEW JERSEY, INC.

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	
	A	B	C	D=(100%-B-C)/A	E	F
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116 TOOLS & OWE	8.7	9.0	44.2	5.4	5	1983
2121 BUILDINGS	42.0	3.0	17.2	1.9	-396	1983
2122 FURNITURE	10.7	5.0	36.8	5.4	-9	1983
2123 OFFICE EQPT	8.9	5.0	25.8	7.8	0	1983
2124 COMPUTERS	-	-	86.7	5.0	-82	1983
2211 COE ELEC-ANALOG	12.4	1.0	23.6	6.1	0	1983
2212 COE ELEC-DIG	12.0	1.0	23.3	6.3	299	1983
2215 CROSSBAR	-	0.0	-	-	- <sup>e</sup>	
2220 COE OP SYS-OTH	1.6	1.0	71.2	17.4	4145	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.2	-10.0	52.0	11.2	136	1982
2232 COE CIR-DIGITAL	6.9	1.0	24.6	10.8	0	1982
2232 COE CIR-ANALOG	5.0	-1.0	50.6	10.1	-248	1982
2351 PUB TEL TERM EQ	11.1	0.0	17.9	7.4	2	1988
2411 POLES	8.3	-42.0	81.1	7.3	15	1982
2421 AERIAL CABLE	19.1	8.0	32.3	3.1	7	1982
2422 UNDERGRND CABLE	18.5	15.0	19.2	3.6	68	1982
2423 BURIED CABLE	22.0	-4.0	4.7	4.5	6	1982
2424 SUBMARINE CABLE	14.2	-3.0	-157.5	18.3	-1	1982
2441 CONDUIT SYSTEMS	57.0	-10.0	38.5	1.3	98	1985

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985, are continued.

<sup>e</sup> As described in paragraph 25 of the Order, the net service value for the Crossbar Account is to be amortized over a three year period ending December 31, 1990.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF NEW YORK, INC.

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112	MOTOR VEHICLES	2.6	15.0	50.6	13.2	0	1983
2116	TOOLS & OWE	8.0	9.0	30.3	7.6	-15	1983
2121	BUILDINGS	41.0	3.0	25.4	1.7	-4122	1984
2122	FURNITURE	12.4	5.0	31.7	5.1	-2	1984
2123	OFFICE EQPT	6.2	1.0	24.3	12.0	-64	1984
2124	COMPUTERS	4.0	5.0	28.7	16.6	0	1984
2211	COE ELEC-ANALOG	2.3	1.0	26.1	31.7	0	
2212	COE ELEC-DIG	11.9	1.0	24.9	6.2	2496	1984
2215	COE CROSSBAR	-	-	100.0	5.0	0	
2220	COE OP SYS-OTH	1.5	1.0	62.4	24.4	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	5.1	-10.0	56.0	10.6	401	1984
2232	COE CIR-DIGITAL	7.4	1.0	21.9	10.4	-29	1984
2232	COE CIR-ANALOG	5.6	-1.0	47.7	9.5	3697	1984
2351	PUB TEL TERM EQ	11.2	0.0	10.4	8.0	0	1988
2362	OTHER TERM EQ	4.6	-4.0	53.6	11.0	-122	1988
2411	POLES	5.5	-42.0	95.1	8.5	-2	1982
2421	AERIAL CABLE	8.7	8.0	67.7	2.8	27	1982
2422	UNDERGRND CABLE	17.7	15.0	29.2	3.2	361	1982
2423	BURIED CABLE	10.2	-4.0	61.6	4.2	54	1982
2424	SUBMARINE CABLE	1.7	-3.0	101.9	0.6	0	1982
2441	CONDUIT SYSTEMS	53.0	-10.0	18.1	1.7	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF OHIO, INC.

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	F
		A	B	C	D=(100%-B-C)/A	E	
2112	MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116	TOOLS & OWE	7.3	9.0	39.1	7.1	-75	1983
2121	BUILDINGS	40.0	3.0	23.2	1.8	189	1983
2122	FURNITURE	9.9	5.0	36.5	5.9	2	1983
2123	OFFICE EQPT	9.3	5.0	47.2	5.1	1	1983
2124	COMPUTERS	2.3	5.0	80.2	6.4	0	1983
2211	COE ELEC-ANALOG	11.5	1.0	34.3	5.6	1	1983
2212	COE ELEC-DIG	11.5	1.0	23.6	6.6	637	1983
2215	CROSSBAR	-	0.0	-	-	- <sup>ⓐ</sup>	
2220	COE OP SYS-OTH	1.2	1.0	80.0	15.8	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	5.0	-10.0	61.4	9.7	288	1983
2232	COE CIR-DIGITAL	7.0	1.0	23.7	10.8	-161	1983
2232	COE CIR-ANALOG	5.5	-1.0	47.6	9.7	755	1983
2351	PUB TEL TERM EQ	11.4	0.0	-6.5	9.3	9	1988
2411	POLES	7.5	-42.0	47.9	12.5	19	1982
2421	AERIAL CABLE	15.9	8.0	43.6	3.0	133	1982
2422	UNDERGRND CABLE	15.2	15.0	37.1	3.2	229	1982
2423	BURIED CABLE	16.8	-4.0	31.2	4.3	406	1982
2424	SUBMARINE CABLE	1.9	-3.0	100.8	1.2	0	1982
2441	CONDUIT SYSTEMS	44.0	-10.0	25.8	1.9	5	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

ⓐ As described in paragraph 25 of the Order, the net service value for the Crossbar Account is to be fully amortized in 1988.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF PENNSYLVANIA, INC.

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112 MOTOR VEHICLES	2.1	15.0	45.4	18.9	0	1983
2116 TOOLS & OWE	8.2	9.0	34.0	7.0	4	1985
2121 BUILDINGS	42.0	3.0	19.5	1.8	695	1983
2122 FURNITURE	10.9	5.0	35.4	5.5	4	1983
2123 OFFICE EQPT	11.6	5.0	35.1	5.2	-6	1983
2124 COMPUTERS	3.8	5.0	50.4	11.7	0	1983
2211 COE ELEC-ANALOG	1.5	1.0	29.2	46.5	0	
2212 COE ELEC-DIG	11.2	1.0	34.2	5.8	1057	1982
2215 CROSSBAR	-	0.0	-	-	- <sup>e</sup>	
2220 COE OP SYS-OTH	2.0	1.0	59.1	20.0	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.5	-10.0	44.0	12.0	559	1982
2232 COE CIR-DIGITAL	6.6	1.0	18.3	12.2	-10	1982
2232 COE CIR-ANALOG	5.2	-1.0	55.0	8.8	1233	1982
2351 PUB TEL TERM EQ	11.1	0.0	13.3	7.8	-40	1988
2411 POLES	9.1	-42.0	56.4	9.4	36	1982
2421 AERIAL CABLE	18.4	8.0	42.7	2.7	148	1982
2422 UNDERGRND CABLE	21.0	15.0	13.3	3.4	219	1982
2423 BURIED CABLE	22.0	-4.0	4.5	4.5	-701	1982
2441 CONDUIT SYSTEMS	42.0	-10.0	8.7	2.4	8	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

<sup>e</sup> As described in paragraph 25 of the Order, the net service value for the Crossbar Account is to be fully amortized in 1988.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MIDWEST, INC.- IOWA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	F
	A	B	C	$D=(100\%-B-C)/A$	E	
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116 TOOLS & OWE	7.1	9.0	42.1	6.9	-30	1983
2121 BUILDINGS	42.0	3.0	22.3	1.8	50	1984
2122 FURNITURE	10.9	5.0	34.7	5.5	-1	1983
2123 OFFICE EQPT	5.2	1.0	41.2	11.1	0	1983
2124 COMPUTERS	3.6	5.0	53.6	11.5	0	1983
2211 COE ELEC-ANALOG	1.5	1.0	28.2	47.2	0	
2212 COE ELEC-DIG	12.3	1.0	24.3	6.1	73	1983
2220 COE OP SYS-OTH	1.3	1.0	75.0	18.5	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.3	-10.0	51.0	11.1	442	1983
2232 COE CIR-DIGITAL	7.0	1.0	18.4	11.5	-11	1983
2232 COE CIR-ANALOG	5.9	-1.0	48.8	8.8	-211	1983
2351 PUB TEL TERM EQ	11.2	0.0	9.7	8.1	-22	1988
2411 POLES	9.9	-42.0	63.8	7.9	3	1982
2422 UNDERGRND CABLE	17.7	15.0	26.9	3.3	14	1982
2423 BURIED CABLE	5.8	-4.0	79.9	4.2	-16	1982
2424 SUBMARINE CABLE	10.5	-3.0	66.1	3.5	0	1982
2441 CONDUIT SYSTEMS	43.0	-10.0	1.5	2.5	2	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MIDWEST, INC.- MINNESOTA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1984
2116 TOOLS & OWE	7.1	9.0	41.3	7.0	-55	1984
2121 BUILDINGS	40.0	3.0	18.6	2.0	47	1984
2122 FURNITURE	11.2	5.0	29.6	5.8	2	1984
2123 OFFICE EQPT	6.1	2.0	38.2	9.8	0	1984
2124 COMPUTERS	2.5	5.0	-89.8	73.9	0	1983
2211 COE ELEC-ANALOG	1.7	1.0	35.4	37.4	0	
2212 COE ELEC-DIG	12.1	1.0	26.0	6.0	23	1984
2215 COE CROSSBAR	-	-	100.0	5.0	0	
2220 COE OP SYS-OTH	1.5	1.0	78.4	13.7	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.1	-10.0	59.0	10.0	216	1984
2232 COE CIR-DIGITAL	7.2	1.0	20.7	10.9	-66	1984
2232 COE CIR-ANALOG	5.8	-1.0	49.2	8.9	174	1984
2351 PUB TEL TERM EQ	11.2	0.0	14.5	7.6	-20	1988
2411 POLES	9.4	-42.0	67.7	7.9	-26	1982
2422 UNDERGRND CABLE	15.2	15.0	40.5	2.9	14	1982
2423 BURIED CABLE	3.9	-4.0	83.3	5.3	0	1982
2424 SUBMARINE CABLE	1.8	-3.0	79.1	13.3	0	1982
2441 CONDUIT SYSTEMS	52.0	-10.0	18.4	1.8	1	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MIDWEST, INC.- NEBRASKA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	
	A	B	C	D=(100%-B-C)/A	E	F
2116 TOOLS & OWE	7.9	9.0	48.7	5.4	0	1985
2121 BUILDINGS	40.0	3.0	23.1	1.8	18	1984
2122 FURNITURE	10.7	5.0	50.1	4.2	6	1984
2123 OFFICE EQPT	5.4	1.0	46.3	9.8	3	1984
2124 COMPUTERS	3.2	5.0	66.5	8.9	0	1984
2211 COE ELEC-ANALOG	11.6	1.0	19.4	6.9	0	1984
2212 COE ELEC-DIG	11.7	1.0	29.0	6.0	62	1984
2220 COE OP SYS-OTH	3.0	1.0	50.1	16.3	217	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.0	-10.0	54.7	11.1	-97	1984
2232 COE CIR-DIGITAL	6.4	1.0	13.2	13.4	0	1984
2232 COE CIR-ANALOG	5.8	-1.0	49.4	8.9	-179	1984
2351 PUB TEL TERM EQ	11.4	0.0	31.2	6.0	0	1988
2422 UNDERGRND CABLE	19.9	15.0	-33.7	6.0	7	1982
2423 BURIED CABLE	7.4	-4.0	25.5	10.6	0	1982
2424 SUBMARINE CABLE	-	-	103.0	5.0	0	1982
2441 CONDUIT SYSTEMS	43.0	-10.0	-24.4	3.1	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985, are continued.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MIDWEST, INC.- NORTH DAKOTA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	
	A	B	C	$D=(100\%-B-C)/A$	E	F
2112 MOTOR VEHICLES	1.9	15.0	76.8	4.3	0	1983
2116 TOOLS & OWE	8.9	9.0	30.6	6.8	-23	1984
2121 BUILDINGS	42.0	3.0	25.0	1.7	-37	1984
2122 FURNITURE	12.0	5.0	32.7	5.2	0	1984
2123 OFFICE EQPT	10.4	5.0	35.4	5.7	0	1984
2124 COMPUTERS	1.6	5.0	74.4	12.9	0	1983
2215 COE CROSSBAR	5.5	0.0	59.0	7.5	381	
2220 COE OP SYS-OTH	0.5	1.0	88.6	20.8	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	4.9	-10.0	61.0	10.0	-44	1984
2232 COE CIR-DIGITAL	6.5	1.0	14.3	13.0	1	1984
2232 COE CIR-ANALOG	5.8	-1.0	50.6	8.7	-10	1984
2351 PUB TEL TERM EQ	11.7	0.0	6.4	8.0	-3	1988
2422 UNDERGRND CABLE	15.9	15.0	38.4	2.9	0	1982
2423 BURIED CABLE	11.2	-4.0	57.4	4.2	6	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MIDWEST, INC.- SOUTH DAKOTA

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112	MOTOR VEHICLES	-	-	85.0	5.0	0	1984
2116	TOOLS & OWE	10.0	9.0	25.5	6.6	-9	1984
2121	BUILDINGS	39.0	3.0	5.7	2.3	12	1984
2122	FURNITURE	10.5	5.0	42.2	5.0	0	1984
2123	OFFICE EQPT	10.7	5.0	32.1	5.9	0	1984
2211	COE ELEC-ANALOG	10.6	1.0	1.8	9.2	7	1984
2212	COE ELEC-DIG	11.7	1.0	11.3	7.5	1308	1984
2220	COE OP SYS-OTH	1.0	1.0	88.5	10.5	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	4.8	-10.0	67.5	8.9	-24	1984
2232	COE CIR-DIGITAL	6.6	1.0	17.3	12.4	20	1984
2232	COE CIR-ANALOG	5.4	-1.0	42.3	10.9	154	1984
2351	PUB TEL TERM EQ	11.7	0.0	1.7	8.4	1	1988
2411	POLES	7.4	-42.0	81.7	8.1	62	1982
2422	UNDERGRND CABLE	22.0	15.0	6.6	3.6	-4	1982

The figures in Column B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.- ARIZONA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	F
	A	B	C	D=(100%-B-C)/A	E	
2112 MOTOR VEHICLES	2.0	15.0	41.2	21.9	0	1983
2116 TOOLS & OWE	5.6	9.0	50.6	7.2	-3	1983
2121 BUILDINGS	40.0	3.0	25.9	1.8	341	1983
2122 FURNITURE	11.3	5.0	35.3	5.3	-5	1983
2123 OFFICE EQPT	11.4	5.0	32.3	5.5	0	1983
2124 COMPUTERS	2.9	5.0	85.6	3.2	0	1983
2211 COE ELEC-ANALOG	7.6	1.0	52.6	6.1	0	1983
2212 COE ELEC-DIG	11.6	1.0	19.3	6.9	-101	1983
2215 CROSSBAR	-	0.0	-	-	-	①
2220 COE OP SYS-OTH	0.6	1.0	61.0	63.3	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	4.8	-10.0	62.0	10.0	74	1983
2232 COE CIR-DIGITAL	7.2	1.0	20.7	10.9	-55	1983
2232 COE CIR-ANALOG	5.6	-1.0	47.2	9.6	293	1983
2351 PUB TEL TERM EQ	11.3	0.0	11.7	7.8	-3	1988
2421 AERIAL CABLE	13.8	8.0	55.0	2.7	0	1982
2422 UNDERGRND CABLE	20.0	15.0	16.7	3.4	19	1982
2423 BURIED CABLE	19.1	-4.0	17.6	4.5	18	1982
2424 SUBMARINE CABLE	3.1	-3.0	15.8	28.1	0	1982
2441 CONDUIT SYSTEMS	48.0	-10.0	3.4	2.2	-2	1985

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

① As described in paragraph 25 of the Order, the net service value for the Crossbar Account is to be fully amortized in 1988.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.- COLORADO

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116 TOOLS & OWE	8.3	9.0	34.6	6.8	-15	1983
2121 BUILDINGS	43.0	3.0	19.1	1.8	-33	1983
2122 FURNITURE	11.3	5.0	29.0	5.8	5	1983
2123 OFFICE EQPT	6.8	2.0	25.6	10.6	-5	1983
2124 COMPUTERS	3.4	5.0	48.9	13.6	0	1983
2211 COE ELEC-ANALOG	10.8	1.0	40.9	5.4	1	1983
2212 COE ELEC-DIG	11.9	1.0	30.1	5.8	203	1983
2215 CROSSBAR	-	0.0	-	-	- <sup>e</sup>	
2220 COE OP SYS-OTH	4.1	1.0	55.2	10.7	1945	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.0	-10.0	59.5	10.1	320	1983
2232 COE CIR-DIGITAL	6.8	1.0	20.7	11.5	-307	1983
2232 COE CIR-ANALOG	5.9	-1.0	42.6	9.9	-415	1983
2351 PUB TEL TERM EQ	11.5	0.0	5.7	8.2	8	1988
2362 OTHER TERM EQ	7.6	-2.0	32.8	9.1	-6	1988
2422 UNDERGRND CABLE	21.0	15.0	10.1	3.6	6	1982
2423 BURIED CABLE	22.0	-4.0	4.5	4.5	4	1982
2441 CONDUIT SYSTEMS	45.0	-10.0	3.7	2.4	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

<sup>e</sup> As described in paragraph 25 of the Order, the net service value for the Crossbar Account is to be fully amortized in 1988.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.- IDAHO

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	
		A	B	C	D=(100%-B-C)/A	E	F
2112	MOTOR VEHICLES	1.4	15.0	82.3	1.9	0	1983
2116	TOOLS & OWE	7.5	9.0	38.9	6.9	1	1983
2121	BUILDINGS	40.0	3.0	27.2	1.7	7	1983
2122	FURNITURE	11.0	5.0	40.0	5.0	0	1983
2123	OFFICE EQPT	11.8	5.0	36.3	5.0	0	1983
2220	COE OP SYS-OTH	3.4	1.0	-163.8	77.3	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	5.2	-10.0	55.5	10.5	37	1983
2232	COE CIR-DIGITAL	8.3	1.0	22.2	9.3	-63	1983
2232	COE CIR-ANALOG	5.8	-1.0	39.9	10.5	65	1983
2351	PUB TEL TERM EQ	11.4	0.0	-28.1	11.2	25	1988

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.- MONTANA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112 MOTOR VEHICLES	2.6	15.0	65.7	7.4	0	1983
2116 TOOLS & OWE	7.3	9.0	42.5	6.6	-39	1983
2121 BUILDINGS	44.0	3.0	17.3	1.8	10	1983
2122 FURNITURE	12.5	5.0	30.1	5.2	-5	1983
2123 OFFICE EQPT	7.6	3.0	33.3	8.4	1	1983
2124 COMPUTERS	1.3	5.0	93.3	1.3	0	1983
2211 COE ELEC-ANALOG	2.8	1.0	35.2	22.8	0	
2212 COE ELEC-DIG	11.6	1.0	20.9	6.7	-5	1983
2220 COE OP SYS-OTH	1.7	1.0	60.4	22.7	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	4.8	-10.0	62.9	9.8	153	1983
2232 COE CIR-DIGITAL	6.9	1.0	23.1	11.0	-4	1983
2232 COE CIR-ANALOG	5.8	-1.0	48.3	9.1	-35	1983
2351 PUB TEL TERM EQ	11.7	0.0	5.6	8.1	1	1988
2411 POLES	6.9	-42.0	74.1	9.8	1	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.- NEW MEXICO

Effective January 1, 1988

Rate	Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
			(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112		MOTOR VEHICLES	1.4	15.0	73.7	8.1	0	1983
2116		TOOLS & OWE	7.4	9.0	38.4	7.1	-3	1985
2121		BUILDINGS	40.0	3.0	25.9	1.8	-31	1983
2122		FURNITURE	10.6	5.0	39.0	5.3	-1	1983
2123		OFFICE EQPT	6.1	1.0	31.9	11.0	1	1983
2124		COMPUTERS	2	-	95.0	5.0	0	1983
2211		COE ELEC-ANALOG	11.2	1.0	38.7	5.4	0	1983
2212		COE ELEC-DIG	11.2	1.0	33.0	5.9	-18	1983
2220		COE OP SYS-OTH	3.3	1.0	35.3	19.3	0	
2220		COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231		COE RADIO	4.5	-10.0	68.1	9.3	91	1983
2232		COE CIR-DIGITAL	6.9	1.0	22.2	11.1	-50	1983
2232		COE CIR-ANALOG	5.8	-1.0	47.8	9.2	-18	1983
2351		PUB TEL TERM EQ	11.3	0.0	-22.8	10.9	35	1988
2422		UNDERGRND CABLE	21.0	15.0	13.3	3.4	3	1982
2423		BURIED CABLE	20.0	-4.0	13.6	4.5	19	1982
2441		CONDUIT SYSTEMS	48.0	-10.0	5.5	2.2	2	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC. - UTAH

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	F
	A	B	C	D=(100%-B-C)/A	E	
2112 MOTOR VEHICLES	2.4	15.0	64.9	8.4	0	1983
2116 TOOLS & OWE	8.6	9.0	38.6	6.1	0	1985
2121 BUILDINGS	41.0	3.0	22.5	1.8	-34	1983
2122 FURNITURE	11.9	5.0	39.9	4.6	2	1983
2123 OFFICE EQPT	11.2	5.0	31.6	5.7	0	1983
2211 COE ELEC-ANALOG	-	1.0	-	-	- <sup>⊗</sup>	1983
2212 COE ELEC-DIG	12.8	1.0	-6.8	8.3	78	1983
2220 COE OP SYS-OTH	5.7	1.0	8.3	15.9	655	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.0	-10.0	49.6	12.1	-84	1983
2232 COE CIR-DIGITAL	8.1	1.0	31.6	8.3	0	1983
2232 COE CIR-ANALOG	5.7	-1.0	43.1	10.2	-114	1983
2351 PUB TEL TERM EQ	11.6	0.0	10.6	7.7	0	1988
2422 UNDERGRND CABLE	13.3	15.0	45.5	3.0	1	1982
2423 BURIED CABLE	9.3	-4.0	56.0	5.2	1	1982
2441 CONDUIT SYSTEMS	49.0	-10.0	40.5	1.4	1	1985

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985, are continued for all accounts except COE Electronic-Analog as indicated below.

⊗ As described in paragraph 25 of the Order, the net service value for the Analog Electronic Account is to be amortized over a three year period ending December 31, 1990.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.- WYOMING

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112 MOTOR VEHICLES	1.5	15.0	72.7	8.2	0	1983
2116 TOOLS & OWE	7.3	9.0	40.7	6.9	-1	1985
2121 BUILDINGS	43.0	3.0	17.6	1.8	28	1983
2122 FURNITURE	11.3	5.0	36.6	5.2	-2	1983
2123 OFFICE EQPT	9.4	4.0	22.6	7.8	0	1983
2220 COE OP SYS-OTH	3.6	1.0	30.0	19.2	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.4	-10.0	57.5	9.7	120	1983
2232 COE CIR-DIGITAL	7.1	1.0	23.4	10.6	-1	1983
2232 COE CIR-ANALOG	5.7	-1.0	44.6	9.9	188	1983
2351 PUB TEL TERM EQ	11.7	0.0	5.6	8.1	-1	1988
2422 UNDERGRND CABLE	21.0	15.0	6.7	3.7	1	1982
2423 BURIED CABLE	22.0	-4.0	4.5	4.5	1	1982

The figures in Column B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST, INC.- OREGON

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	First Year ELG
	(years)	(%)	(%)	(%)	
	A	B	C	D=(100%-B-C)/A	E
2112 MOTOR VEHICLES	1.6	15.0	64.9	12.6	1983
2116 TOOLS & OWE	7.0	9.0	50.7	5.8	1983
2121 BUILDINGS	40.0	3.0	22.4	1.9	1983
2122 FURNITURE	9.5	5.0	55.0	4.2	1983
2123 OFFICE EQPT	5.9	1.0	33.9	11.0	1983
2124 COMPUTERS	-	-	95.0	5.0	1983
2211 COE ELEC-ANALOG	11.3	1.0	51.6	4.2	1982
2212 COE ELEC-DIG	11.4	1.0	46.9	4.6	1982
2215 COE CROSSBAR	-	-	100.0	5.0	
2220 COE OP SYS-OTH	0.8	1.0	87.0	15.0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	
2231 COE RADIO	5.1	-10.0	44.1	12.9	1982
2232 COE CIR-DIGITAL	7.1	1.0	27.2	10.1	1982
2232 COE CIR-ANALOG	5.7	-1.0	39.4	10.8	1982
2351 PUB TEL TERM EQ	11.1	0.0	1.7	8.9	1988
2423 BURIED CABLE	6.3	-4.0	33.4	11.2	1982

The figures in Columns B, C and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST, INC.- WASHINGTON

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112 MOTOR VEHICLES	1.9	15.0	43.6	21.8	0	1983
2116 TOOLS & OWE	6.0	9.0	47.0	7.3	-102	1983
2121 BUILDINGS	39.0	3.0	27.7	1.8	242	1983
2122 FURNITURE	9.4	5.0	43.6	5.5	-32	1983
2123 OFFICE EQPT	6.6	2.0	36.4	9.3	-2	1983
2211 COE ELEC-ANALOG	12.1	1.0	34.9	5.3	1	1983
2212 COE ELEC-DIG	12.6	1.0	25.2	5.9	107	1983
2215 COE CROSSBAR	-	-	100.0	5.0	0	
2220 COE OP SYS-OTH	2.0	1.0	46.8	26.1	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.0	-10.0	60.0	10.0	874	1983
2232 COE CIR-DIGITAL	7.6	1.0	22.2	10.1	-369	1983
2232 COE CIR-ANALOG	5.8	-1.0	42.4	10.1	975	1983
2351 PUB TEL TERM EQ	11.6	0.0	-3.6	8.9	54	1988
2411 POLES	5.8	-42.0	93.8	8.3	1	1982
2422 UNDERGRND CABLE	21.0	15.0	13.3	3.4	20	1982
2423 BURIED CABLE	4.7	-4.0	87.1	3.6	15	1982
2424 SUBMARINE CABLE	21.0	-3.0	1.0	4.9	-7	1982
2441 CONDUIT SYSTEMS	43.0	-10.0	1.5	2.5	10	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC.-ALABAMA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	
	A	B	C	D=(100%-B-C)/A	E	F
2112 MOTOR VEHICLES	2.6	15.0	20.7	24.7	0	1985
2116 TOOLS & OWE	7.4	9.0	39.6	6.9	-8	1983
2121 BUILDINGS	43.0	3.0	20.6	1.8	-178	1985
2122 FURNITURE	11.0	5.0	38.8	5.1	-12	1985
2123 OFFICE EQPT	5.5	1.0	35.0	11.6	-6	1985
2124 COMPUTERS	3.6	5.0	36.6	16.2	0	1985
2211 COE ELEC-ANALOG	11.3	1.0	5.8	8.2	-1	1983
2212 COE ELEC-DIG	11.8	1.0	26.4	6.2	326	1983
2220 COE OP SYS-OTH	2.8	1.0	35.9	22.5	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.3	-10.0	51.0	11.1	884	1983
2232 COE CIR-DIGITAL	7.0	1.0	20.3	11.2	-1	1983
2232 COE CIR-ANALOG	5.6	-1.0	47.7	9.5	854	1983
2351 PUB TEL TERM EQ	11.5	0.0	9.4	7.9	-16	1988
2421 AERIAL CABLE	19.0	8.0	41.1	2.7	13	1982
2422 UNDERGRND CABLE	18.1	15.0	27.9	3.2	86	1982
2423 BURIED CABLE	21.0	-4.0	9.0	4.5	54	1982
2441 CONDUIT SYSTEMS	44.0	-10.0	1.5	2.5	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC.- KENTUCKY

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	
		A	B	C	D=(100%-B-C)/A	E	F
2112	MOTOR VEHICLES	1.1	15.0	25.7	53.9	0	1985
2116	TOOLS & OWE	8.5	9.0	28.6	7.3	-22	1985
2121	BUILDINGS	40.0	3.0	27.2	1.7	12	1985
2122	FURNITURE	10.7	5.0	41.5	5.0	1	1985
2123	OFFICE EQPT	8.0	5.0	51.6	5.4	1	1985
2124	COMPUTERS	3.7	5.0	12.7	22.2	0	1985
2211	COE ELEC-ANALOG	10.5	1.0	39.3	5.7	-1	1983
2212	COE ELEC-DIG	11.5	1.0	25.1	6.4	-215	1983
2220	COE OP SYS-OTH	6.2	1.0	-4.3	16.7	-1	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	5.3	-10.0	47.1	11.9	597	1983
2232	COE CIR-DIGITAL	6.9	1.0	20.5	11.4	-71	1983
2232	COE CIR-ANALOG	5.7	-1.0	46.2	9.6	246	1983
2351	PUB TEL TERM EQ	11.2	0.0	12.5	7.8	-7	1988
2411	POLES	7.6	-42.0	77.1	8.5	-3	1982
2421	AERIAL CABLE	13.3	8.0	53.3	2.9	9	1982
2422	UNDERGRND CABLE	15.2	15.0	37.1	3.2	11	1982
2423	BURIED CABLE	19.9	-4.0	14.0	4.5	7	1982
2441	CONDUIT SYSTEMS	43.0	-10.0	1.5	2.5	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC.- LOUISIANA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	F
	A	B	C	D=(100%-B-C)/A	E	
2112 MOTOR VEHICLES	1.8	15.0	77.5	4.2	0	1985
2116 TOOLS & OWE	7.4	9.0	39.6	6.9	-23	1983
2121 BUILDINGS	42.0	3.0	20.9	1.8	-160	1985
2122 FURNITURE	10.8	5.0	41.0	5.0	5	1985
2123 OFFICE EQPT	5.9	2.0	36.5	10.4	0	1985
2124 COMPUTERS	3.2	5.0	60.2	10.9	0	1985
2211 COE ELEC-ANALOG	-	1.0	-	-	- @	1983
2212 COE ELEC-DIG	11.7	1.0	23.8	6.4	208	1983
2220 COE OP SYS-OTH	-	-	99.0	5.0	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.2	-10.0	58.5	9.9	765	1983
2232 COE CIR-DIGITAL	7.0	1.0	20.3	11.2	-181	1983
2232 COE CIR-ANALOG	5.8	-1.0	45.8	9.5	132	1983
2351 PUB TEL TERM EQ	11.1	0.0	14.6	7.7	-137	1988
2411 POLES	6.4	-42.0	89.5	8.2	-1	1982
2422 UNDERGRND CABLE	16.0	15.0	34.5	3.2	33	1982
2423 BURIED CABLE	2.2	-4.0	43.5	27.5	0	1982
2424 SUBMARINE CABLE	-	-	103.0	5.0	0	1982
2441 CONDUIT SYSTEMS	54.0	-10.0	16.3	1.7	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

@ As described in paragraph 25 of the Order, the net service value for the Analog Electronic Account is to be fully amortized in 1988.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC.- MISSISSIPPI

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	F
		A	B	C	D=(100%-B-C)/A	E	
2112	MOTOR VEHICLES	4.0	15.0	1.5	20.9	0	1985
2116	TOOLS & OWE	8.1	9.0	42.6	6.0	0	1982
2121	BUILDINGS	42.0	3.0	12.4	2.0	-206	1985
2122	FURNITURE	10.6	5.0	43.0	4.9	2	1985
2123	OFFICE EQPT	5.6	1.0	46.0	9.5	2	1985
2124	COMPUTERS	3.8	5.0	6.1	23.4	-3	1985
2211	COE ELEC-ANALOG	10.8	1.0	38.6	5.6	0	1982
2212	COE ELEC-DIG	11.3	1.0	25.9	6.5	69	1982
2220	COE OP SYS-OTH	2.0	1.0	80.2	9.4	1166	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	4.8	-10.0	51.7	12.1	131	1982
2232	COE CIR-DIGITAL	6.7	1.0	30.8	10.2	-52	1982
2232	COE CIR-ANALOG	5.7	-1.0	43.3	10.1	17	1982
2351	PUB TEL TERM EQ	11.4	0.0	11.1	7.8	0	1988
2411	POLES	11.5	-42.0	56.8	7.4	17	1982
2422	UNDERGRND CABLE	15.4	15.0	3.9	5.3	15	1982
2423	BURIED CABLE	13.0	-4.0	67.1	2.8	0	1982
2424	SUBMARINE CABLE	-	-	103.0	5.0	0	1982
2441	CONDUIT SYSTEMS	47.0	-10.0	2.0	2.3	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985, are continued.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC.- TENNESSEE

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	F
	A	B	C	D=(100%-B-C)/A	E	
2112 MOTOR VEHICLES	2.2	15.0	73.0	5.5	0	1985
2116 TOOLS & OWE	5.8	9.0	47.4	7.5	14	1985
2121 BUILDINGS	41.0	3.0	25.4	1.7	-275	1985
2122 FURNITURE	11.1	5.0	38.6	5.1	-2	1985
2123 OFFICE EQPT	5.8	2.0	40.6	9.9	0	1985
2124 COMPUTERS	3.9	5.0	38.2	14.6	0	1985
2211 COE ELEC-ANALOG	11.8	1.0	18.4	6.8	0	1982
2212 COE ELEC-DIG	11.5	1.0	31.6	5.9	835	1982
2220 COE OP SYS-OTH	3.4	1.0	-5.7	30.8	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.0	-10.0	56.0	10.8	329	1982
2232 COE CIR-DIGITAL	7.3	1.0	23.7	10.3	-79	1982
2232 COE CIR-ANALOG	5.5	-1.0	48.1	9.6	831	1982
2351 PUB TEL TERM EQ	11.0	0.0	14.1	7.8	-15	1988
2411 POLES	8.9	-42.0	70.8	8.0	1	1982
2421 AERIAL CABLE	16.2	8.0	42.7	3.0	10	1982
2422 UNDERGRND CABLE	17.5	15.0	33.8	2.9	43	1982
2423 BURIED CABLE	21.0	-4.0	9.0	4.5	52	1982
2441 CONDUIT SYSTEMS	43.0	-10.0	1.5	2.5	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.- FLORIDA

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	F
		A	B	C	D=(100%-B-C)/A	E	
2112	MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116	TOOLS & OWE	6.7	9.0	43.7	7.1	-38	1983
2121	BUILDINGS	43.0	3.0	19.1	1.8	1233	1985
2122	FURNITURE	10.9	5.0	38.1	5.2	6	1983
2123	OFFICE EQPT	4.2	1.0	52.8	11.0	8	1983
2124	COMPUTERS	4.2	5.0	28.1	15.9	30	1983
2211	COE ELEC-ANALOG	11.2	1.0	27.9	6.3	2	1983
2212	COE ELEC-DIG	11.4	1.0	26.7	6.3	1048	1983
2215	COE CROSSBAR	-	-	100.0	5.0	0	
2220	COE OP SYS-OTH	0.6	1.0	73.2	43.0	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	4.8	-10.0	64.5	9.5	715	1983
2232	COE CIR-DIGITAL	7.0	1.0	21.1	11.1	-152	1983
2232	COE CIR-ANALOG	5.5	-1.0	47.6	9.7	2079	1983
2351	PUB TEL TERM EQ	11.2	0.0	-16.7	10.4	27	1988
2362	OTHER TERM EQ	7.8	-2.0	23.1	10.1	0	1988
2411	POLES	9.2	-42.0	69.8	7.8	8	1982
2421	AERIAL CABLE	17.2	8.0	44.0	2.8	0	1982
2422	UNDERGRND CABLE	21.0	15.0	13.3	3.4	233	1982
2423	BURIED CABLE	14.1	-4.0	42.9	4.3	213	1982
2424	SUBMARINE CABLE	8.6	-3.0	71.7	3.6	8	1982
2441	CONDUIT SYSTEMS	44.0	-10.0	3.8	2.4	101	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.- GEORGIA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	F
	A	B	C	$D=(100\%-B-C)/A$	E	
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116 TOOLS & OWE	7.3	9.0	48.8	5.8	0	1985
2121 BUILDINGS	40.0	3.0	17.6	2.0	-266	1985
2122 FURNITURE	10.3	5.0	25.0	6.8	13	1983
2123 OFFICE EQPT	9.8	5.0	41.4	5.5	1	1983
2124 COMPUTERS	3.4	5.0	66.3	8.4	0	1983
2211 COE ELEC-ANALOG	1.5	1.0	28.9	46.7	0	
2212 COE ELEC-DIG	11.3	1.0	22.5	6.8	1535	1983
2220 COE OP SYS-OTH	2.6	1.0	86.7	4.7	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.0	-10.0	42.8	13.4	-332	1983
2232 COE CIR-DIGITAL	6.7	1.0	20.2	11.8	-3	1983
2232 COE CIR-ANALOG	5.4	-1.0	43.1	10.7	-1206	1983
2351 PUB TEL TERM EQ	11.0	0.0	17.2	7.5	3	1988
2362 OTHER TERM EQ	7.7	-2.0	5.0	12.6	0	1988
2411 POLES	9.1	-42.0	80.2	6.8	216	1982
2421 AERIAL CABLE	13.1	8.0	-1.2	7.1	10	1982
2422 UNDERGRND CABLE	17.6	15.0	21.2	3.6	35	1982
2423 BURIED CABLE	13.8	-4.0	50.7	3.9	360	1982
2424 SUBMARINE CABLE	3.0	-3.0	87.3	5.2	8	1982
2441 CONDUIT SYSTEMS	44.0	-10.0	0.9	2.5	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985, are continued.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.- NORTH CAROLINA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	
	A	B	C	D=(100%-B-C)/A	E	F
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116 TOOLS & OWE	7.9	9.0	35.7	7.0	-33	1983
2121 BUILDINGS	41.0	3.0	21.3	1.8	-170	1985
2122 FURNITURE	10.7	5.0	38.2	5.3	0	1983
2123 OFFICE EQPT	5.7	1.0	34.9	11.2	0	1983
2124 COMPUTERS	3.2	5.0	31.1	20.0	0	1983
2211 COE ELEC-ANALOG	10.4	1.0	41.2	5.6	0	1983
2212 COE ELEC-DIG	12.3	1.0	21.9	6.3	-184	1983
2220 COE OP SYS-OTH	1.7	1.0	43.7	32.5	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.2	-10.0	50.9	11.4	316	1983
2232 COE CIR-DIGITAL	6.8	1.0	19.8	11.6	69	1983
2232 COE CIR-ANALOG	5.3	-1.0	46.4	10.3	1266	1983
2351 PUB TEL TERM EQ	11.1	0.0	-15.6	10.4	9	1988
2362 OTHER TERM EQ	7.7	-2.0	27.5	9.7	0	1988
2411 POLES	8.5	-42.0	60.8	9.6	32	1982
2421 AERIAL CABLE	15.1	8.0	40.1	3.4	17	1982
2422 UNDERGRND CABLE	17.7	15.0	31.2	3.0	46	1982
2423 BURIED CABLE	16.6	-4.0	32.1	4.3	308	1982
2424 SUBMARINE CABLE	17.6	-3.0	38.9	3.6	-1	1982
2441 CONDUIT SYSTEMS	45.0	-10.0	3.7	2.4	-6	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.- SOUTH CAROLINA

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	
	A	B	C	D=(100%-B-C)/A	E	F
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116 TOOLS & OWE	7.3	9.0	35.2	7.6	-19	1983
2121 BUILDINGS	43.0	3.0	19.1	1.8	-128	1985
2122 FURNITURE	10.6	5.0	40.0	5.2	-2	1983
2123 OFFICE EQPT	7.0	3.0	38.4	8.4	0	1983
2124 COMPUTERS	4.2	5.0	26.9	16.2	23	1983
2211 COE ELEC-ANALOG	-	1.0	-	-	- <sup>ⓐ</sup>	1983
2212 COE ELEC-DIG	11.9	1.0	16.6	6.9	722	1983
2220 COE OP SYS-OTH	3.3	1.0	36.6	18.9	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.2	-10.0	50.3	11.5	850	1983
2232 COE CIR-DIGITAL	7.1	1.0	20.9	11.0	-76	1983
2232 COE CIR-ANALOG	5.5	-1.0	49.1	9.4	1027	1983
2351 PUB TEL TERM EQ	11.6	0.0	7.9	7.9	-22	1988
2411 POLES	8.2	-42.0	57.4	10.3	28	1982
2422 UNDERGRND CABLE	19.8	15.0	20.1	3.3	76	1982
2423 BURIED CABLE	17.1	-4.0	29.9	4.3	0	1982
2424 SUBMARINE CABLE	9.0	-3.0	70.2	3.6	1	1982
2441 CONDUIT SYSTEMS	29.0	-10.0	59.7	1.7	5	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

<sup>ⓐ</sup> As described in paragraph 25 of the Order, the net service value for the Analog Electronic Account is to be amortized over a three year period ending December 31, 1990.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.- ARKANSAS

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	F
	A	B	C	$D=(100\%-B-C)/A$	E	
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1983
2116 TOOLS & OWE	10.0	9.0	22.6	6.8	-2	1985
2121 BUILDINGS	42.0	3.0	16.4	1.9	147	1984
2122 FURNITURE	11.1	5.0	34.0	5.5	2	1984
2123 OFFICE EQPT	11.6	5.0	37.3	5.0	0	1984
2124 COMPUTERS	3.5	5.0	53.3	11.9	0	1984
2211 COE ELEC-ANALOG	12.0	1.0	13.5	7.1	0	1984
2212 COE ELEC-DIG	12.5	1.0	23.1	6.1	-12	1984
2215 COE CROSSBAR	-	-	100.0	5.0	0	
2220 COE OP SYS-OTH	1.7	1.0	60.3	22.8	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.5	-10.0	40.1	12.7	652	1984
2232 COE CIR-DIGITAL	8.1	1.0	18.8	9.9	44	1984
2232 COE CIR-ANALOG	5.9	-1.0	42.0	10.0	407	1984
2351 PUB TEL TERM EQ	11.4	0.0	5.8	8.3	0	1988
2422 UNDERGRND CABLE	19.7	15.0	20.4	3.3	-7	1982
2423 BURIED CABLE	17.7	-4.0	27.3	4.3	18	1982
2441 CONDUIT SYSTEMS	49.0	-10.0	11.1	2.0	-12	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.- KANSAS

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years)	(%)	(%)	(%)	(\$000)	
	A	B	C	D=(100%-B-C)/A	E	F
2112 MOTOR VEHICLES	-	-	85.0	5.0	0	1984
2116 TOOLS & OWE	7.0	9.0	41.2	7.1	13	1984
2121 BUILDINGS	42.0	3.0	9.3	2.1	87	1984
2122 FURNITURE	11.3	5.0	38.2	5.0	2	1984
2123 OFFICE EQPT	10.9	5.0	37.4	5.3	0	1984
2124 COMPUTERS	3.3	5.0	67.8	8.2	0	1984
2211 COE ELEC-ANALOG	1.5	1.0	28.7	46.9	0	
2212 COE ELEC-DIG	12.4	1.0	28.9	5.7	152	1984
2220 COE OP SYS-OTH	1.9	1.0	59.7	20.7	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.5	-10.0	48.8	11.1	507	1984
2232 COE CIR-DIGITAL	7.2	1.0	17.1	11.4	51	1984
2232 COE CIR-ANALOG	5.7	-1.0	47.2	9.4	642	1984
2351 PUB TEL TERM EQ	11.5	0.0	-25.0	10.9	42	1988
2422 UNDERGRND CABLE	10.1	15.0	56.4	2.8	-2	1982
2423 BURIED CABLE	21.0	-4.0	9.0	4.5	8	1982
2441 CONDUIT SYSTEMS	48.0	-10.0	25.4	1.8	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.- MISSOURI

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2116 TOOLS & OWE	8.3	9.0	33.3	7.0	2	1984
2121 BUILDINGS	40.0	3.0	24.5	1.8	289	1984
2122 FURNITURE	10.4	5.0	37.5	5.5	12	1984
2123 OFFICE EQPT	5.3	0.0	36.1	12.1	2	1984
2124 COMPUTERS	3.5	5.0	64.2	8.8	0	1984
2211 COE ELEC-ANALOG	12.2	1.0	24.4	6.1	0	1984
2212 COE ELEC-DIG	12.0	1.0	29.9	5.8	1053	1984
2215 COE CROSSBAR	4.3	0.0	73.3	6.2	779	
2220 COE OP SYS-OTH	2.6	1.0	21.5	29.8	0	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.1	-10.0	59.0	10.0	613	1984
2232 COE CIR-DIGITAL	7.4	1.0	21.9	10.4	98	1984
2232 COE CIR-ANALOG	5.8	-1.0	48.3	9.1	1368	1984
2351 PUB TEL TERM EQ	11.3	0.0	12.4	7.8	-95	1988
2422 UNDERGRND CABLE	19.7	15.0	20.4	3.3	38	1982
2423 BURIED CABLE	19.8	-4.0	14.5	4.5	-93	1982
2424 SUBMARINE CABLE	-	-	103.0	5.0	0	1982
2441 CONDUIT SYSTEMS	44.0	-10.0	3.8	2.4	35	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.- OKLAHOMA

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112	MOTOR VEHICLES	3.3	15.0	65.4	5.9	0	1983
2114	TOOLS & OWE	8.3	9.0	29.1	7.5	-6	1984
2121	BUILDINGS	41.0	3.0	21.3	1.8	-262	1984
2122	FURNITURE	10.1	5.0	37.1	5.7	4	1984
2123	OFFICE EQPT	5.4	1.0	41.5	10.6	1	1984
2124	COMPUTERS	3.3	5.0	52.0	13.0	0	1984
2211	COE ELEC-ANALOG	12.0	1.0	28.3	5.9	1	1984
2212	COE ELEC-DIG	12.1	1.0	28.9	5.8	564	1984
2220	COE OP SYS-OTH	2.8	1.0	40.6	20.9	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	5.3	-10.0	53.3	10.7	505	1984
2232	COE CIR-DIGITAL	7.4	1.0	21.9	10.4	26	1984
2232	COE CIR-ANALOG	5.8	-1.0	45.8	9.5	673	1984
2351	PUB TEL TERM EQ	10.9	0.0	-3.8	9.5	12	1988
2362	OTHER TERM EQ	7.8	-2.0	24.8	9.9	0	1988
2421	AERIAL CABLE	18.8	8.0	41.6	2.7	0	1982
2422	UNDERGRND CABLE	21.0	15.0	13.3	3.4	5	1982
2423	BURIED CABLE	22.0	-4.0	4.5	4.5	-4	1982
2441	CONDUIT SYSTEMS	47.0	-10.0	1.3	2.3	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.- TEXAS

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	First Year ELG
		(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	E
2112	MOTOR VEHICLES	-	-	85.0	5.0	1984
2116	TOOLS & OWE	7.9	9.0	38.6	6.6	1984
2121	BUILDINGS	42.0	3.0	21.5	1.8	1984
2122	FURNITURE	10.9	5.0	32.8	5.7	1984
2123	OFFICE EQPT	4.9	0.0	37.4	12.8	1984
2124	COMPUTERS	7.8	5.0	71.3	8.5	1984
2211	COE ELEC-ANALOG	2.2	1.0	36.4	28.5	
2212	COE ELEC-DIG	11.5	1.0	29.1	6.1	1984
2215	COE CROSSBAR	6.6	0.0	58.0	6.4	
2220	COE OP SYS-OTH	1.7	1.0	57.3	24.5	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	
2231	COE RADIO	5.5	-10.0	39.0	12.9	1984
2232	COE CIR-DIGITAL	6.9	1.0	18.8	11.6	1984
2232	COE CIR-ANALOG	5.7	-1.0	40.3	10.6	1984
2351	PUB TEL TERM EQ	11.3	0.0	5.3	8.4	1988
2362	OTHER TERM EQ	2.1	-2.0	75.5	12.6	1988
2411	POLES	8.1	-42.0	74.8	8.3	1982
2421	AERIAL CABLE	12.1	8.0	37.3	4.5	1982
2422	UNDERGRND CABLE	17.1	15.0	25.5	3.5	1982
2423	BURIED CABLE	16.2	-4.0	32.9	4.4	1982
2424	SUBMARINE CABLE	6.4	-3.0	82.4	3.2	1982
2441	CONDUIT SYSTEMS	44.0	-10.0	0.7	2.5	1982

The figures in Columns B, C and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF VIRGINIA, INC.

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years)	(%)	(%)	(%)	(\$000)	
		A	B	C	D=(100%-B-C)/A	E	F
2112	MOTOR VEHICLES	-	-	85.0	5.0	0	1985
2116	TOOLS & OWE	7.3	9.0	41.4	6.8	0	1985
2121	BUILDINGS	43.0	3.0	20.0	1.8	346	1985
2122	FURNITURE	11.7	5.0	37.6	4.9	15	1985
2123	OFFICE EQPT	11.1	5.0	44.9	4.5	0	1985
2124	COMPUTERS	3.7	5.0	21.5	19.9	0	1985
2211	COE ELEC-ANALOG	11.4	1.0	31.4	5.9	0	1983
2212	COE ELEC-DIG	12.1	1.0	37.0	5.1	1040	1983
2215	COE CROSSBAR	11.6	0.0	-51.1	13.0	240	
2220	COE OP SYS-OTH	2.1	1.0	53.4	21.7	1857	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	5.4	-10.0	35.8	13.7	115	1983
2232	COE CIR-DIGITAL	7.1	1.0	24.0	10.6	0	1983
2232	COE CIR-ANALOG	5.2	-1.0	43.1	11.1	-1182	1983
2351	PUB TEL TERM EQ	11.3	0.0	8.6	8.1	1	1988
2411	POLES	6.8	-42.0	111.5	4.5	16	1982
2421	AERIAL CABLE	12.3	8.0	55.4	3.0	54	1982
2422	UNDERGRND CABLE	10.4	15.0	43.1	4.0	52	1982
2423	BURIED CABLE	19.5	-4.0	13.9	4.6	200	1982
2424	SUBMARINE CABLE	10.8	-3.0	97.1	0.5	1	1982
2441	CONDUIT SYSTEMS	44.0	-10.0	40.7	1.6	2	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985, are continued.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF WASHINGTON D.C., INC.

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112 MOTOR VEHICLES	2.3	15.0	50.3	15.1	0	1985
2116 TOOLS & OWE	6.3	9.0	48.2	6.8	0	1983
2121 BUILDINGS	38.0	3.0	29.7	1.8	106	1985
2122 FURNITURE	11.1	5.0	29.5	5.9	3	1985
2123 OFFICE EQPT	9.0	5.0	46.3	5.4	0	1985
2124 COMPUTERS	-	-	95.0	5.0	0	1983
2211 COE ELEC-ANALOG	2.5	1.0	42.0	22.8	0	
2212 COE ELEC-DIG	11.7	1.0	54.5	3.8	477	1983
2215 COE CROSSBAR	2.7	0.0	83.7	6.0	-38	
2220 COE OP SYS-OTH	1.9	1.0	42.2	29.9	-95	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.8	-10.0	4.5	18.2	0	1983
2232 COE CIR-DIGITAL	7.0	1.0	26.6	10.3	0	1983
2232 COE CIR-ANALOG	5.3	-1.0	35.8	12.3	-86	1983
2351 PUB TEL TERM EQ	11.1	0.0	12.8	7.9	0	1988
2422 UNDERGRND CABLE	20.0	15.0	55.4	1.5	48	1982
2423 BURIED CABLE	22.0	-4.0	2.3	4.6	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. The amortization expense figures in Column E, ordered in FCC 85-568, released October 23, 1985; are continued.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF WEST VIRGINIA, INC.

Effective January 1, 1988

Rate Category Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112 MOTOR VEHICLES	3.3	15.0	65.7	5.8	0	1983
2116 TOOLS & OWE	8.7	9.0	33.2	6.6	-13	1983
2121 BUILDINGS	41.0	3.0	21.3	1.8	128	1985
2122 FURNITURE	12.6	5.0	32.3	5.0	0	1985
2123 OFFICE EQPT	12.7	5.0	31.2	5.0	0	1985
2124 COMPUTERS	4.7	5.0	11.6	17.7	3	1983
2211 COE ELEC-ANALOG	11.3	1.0	28.2	6.3	0	1983
2212 COE ELEC-DIG	11.9	1.0	27.6	6.0	266	1983
2220 COE OP SYS-OTH	4.3	1.0	50.9	11.2	-174	
2220 COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231 COE RADIO	5.3	-10.0	45.7	12.1	117	1983
2232 COE CIR-DIGITAL	6.9	1.0	16.7	11.9	3	1983
2232 COE CIR-ANALOG	5.2	-1.0	55.4	8.8	258	1983
2351 PUB TEL TERM EQ	11.0	0.0	17.3	7.5	-6	1988
2421 AERIAL CABLE	16.8	8.0	47.0	2.7	61	1982
2422 UNDERGRND CABLE	11.3	15.0	51.9	2.9	9	1982
2423 BURIED CABLE	22.0	-4.0	4.5	4.5	6	1982
2424 SUBMARINE CABLE	4.1	-3.0	88.6	3.5	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.

FEDERAL COMMUNICATIONS COMMISSION  
Schedule of Annual Percentages of Depreciation for  
AT&T COMMUNICATIONS OF WISCONSIN, INC.

Effective January 1, 1988

Rate Category	Description	Average Remaining Life	Future Net Salvage	Reserve Level	Remaining Life Rate	Annual Amort. Expense	First Year ELG
		(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A	(\$000) E	F
2112	MOTOR VEHICLES	2.4	15.0	69.1	6.6	0	1984
2116	TOOLS & OWE	8.0	9.0	35.8	6.9	-11	1985
2121	BUILDINGS	41.0	3.0	16.7	2.0	-62	1984
2122	FURNITURE	10.0	5.0	43.1	5.2	-2	1984
2123	OFFICE EQPT	10.9	5.0	32.5	5.7	0	1984
2124	COMPUTERS	4.7	5.0	13.2	17.4	11	1984
2212	COE ELEC-DIG	11.6	1.0	20.9	6.7	218	1983
2220	COE OP SYS-OTH	0.9	1.0	72.5	29.4	0	
2220	COE OP SYS-OSPS	16.0	3.0	0.0	6.1	0	
2231	COE RADIO	5.2	-10.0	51.5	11.3	120	1983
2232	COE CIR-DIGITAL	6.2	1.0	16.1	13.4	47	1983
2232	COE CIR-ANALOG	5.4	-1.0	52.4	9.0	188	1983
2351	PUB TEL TERM EQ	11.1	0.0	13.3	7.8	-21	1988
2411	POLES	8.1	-42.0	77.6	8.0	2	1982
2421	AERIAL CABLE	-	-	92.0	5.0	0	1982
2422	UNDERGRND CABLE	14.5	15.0	42.5	2.9	11	1982
2423	BURIED CABLE	17.6	-4.0	24.4	4.5	20	1982
2424	SUBMARINE CABLE	4.2	-3.0	87.7	3.6	0	1982
2441	CONDUIT SYSTEMS	42.0	-10.0	37.2	1.7	0	1982

The figures in Columns B, C and D are percentages of gross book cost.

The reserve level in Column C is used to calculate the depreciation rate and does not necessarily reflect the book reserve. For accounts in which amortization expense figures are shown in Column E, the January 1, 1988 reserve imbalance is to be amortized over a four year period ending December 31, 1991.