L-4209 (Rev. 11-81)

No. 26 - November 18, 1982
1982 Average Values
REA Distribution Systems

STATE OF MICHIGAN

WILLIAM G. MILLIKEN, Governor

DEPARTMENT OF TREASURY

LOREN E. MONROE, State Treasurer

STATE TAX COMMISSION

4th Floor, Treasury Building
Lansing, Michigan 48922 Telephone 517 373-0500

COMMISSION MEMBERS
W. EUGENE ATKINSON
WARD G. DEXEL
ROBERT O. VANDERMARK

November 18, 1982

TO: EQUALIZATION DIRECTORS
ASSESSING OFFICERS

FROM: LESLIE V. ANDERSON
APPRAISER, LOCALLY ASSESSED UTILITIES

Please find enclosed a copy of the 1982 cost schedule for REA distribution systems as approved by the State Tax Commission at a meeting on October 12, 1982. This schedule should be used for the 1983 tax year (December 31, 1982 tax day).

You will note that the starting costs have been increased to reflect current construction costs. This is in keeping with the Tax Commission policy of up-dating construction cost schedules such as the residential, commercial and industrial guides. This would put the Cooperative's equipment on the same basis as other types of property that is revalued annually. You will also note that underground distribution line miles are to be included in the miles of single phase line miles. This is a temporary procedure and may change in future schedules.

If you feel the schedule is not appropriate for your cooperative, the option of reporting personal property on the basis of original cost is available if the reporting system is approved by the State Tax Commission.

Please contact me if you have any questions regarding the use of the schedule.

Very truly yours,

Leslie V. Anderson
Appraiser, Locally Assessed Utilities

LVA:jv
Encl.

1982 AVERAGE VALUES

FOR REA DISTRIBUTION SYSTEMS

General Economic and Depreciation

	ESTIMATED AVERAGE COST		60% CONDITION	
Customer	575		340	
Security Lights			85	
Type Line	Per Mile Pole Line	Per Mile of Underbuilt	Pole Line	Underbuilt
*Single Phase	$ 5,430	$ 2,690	$ 3,260	$ 1,610
"V" Phase	9,230	5,890	5,540	3,530
Three Phase	12,060	8,540	7,240	5,120

SYSTEM ECONOMIC

Alger - Delta	70%
Cherryland	100
Cloverland	80
Fruit Belt	100
O & A	80
Oceana	85
Ontonagon	65
Presque Isle	80
Southeastern	95
Thumb	80
Top O' Mich.	90
Tri-County	95
Western	75

*Include underground distribution line miles with single phase distribution line miles and report using the schedule cost of single phase line.