

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| THE CATV POLE ATTACHMENT |) | |
| TARIFF OF BEREA COLLEGE |) | ADMINISTRATIVE |
| ELECTRIC UTILITY |) | CASE NO. 251-23 |
| DEPARTMENT |) | |

O R D E R

Procedural Background

On September 17, 1982, the Commission issued an Amended Order in Administrative Case No. 251, "The Adoption of a Standard Methodology for Establishing Rates for CATV Pole Attachments," and ordered electric and telephone utilities providing or proposing to provide CATV pole attachments to file tariffs conforming to the principles and findings of the Order on or before November 1, 1982.

On November 2, 1982, Berea College Electric Utility Department ("Berea") filed rates, rules, and regulations for CATV pole attachments. On November 15, 1982, the Commission suspended Berea's CATV pole attachment tariff to allow the maximum statutory time for investigation and comment from interested persons.

On November 19, 1982, the Kentucky Cable Television Association, Inc., ("KCTA") requested and was granted leave to intervene and comment on Berea's CATV pole attachment tariff. On January 17, 1983, KCTA filed a statement of objections to various CATV pole attachment tariffs, including those of Berea.

On April 11, 1983, the Commission received an extension of time in which to consider Berea's CATV pole attachment tariff.

FINDINGS

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Berea's rules and regulations governing CATV pole attachments do not conform to the principles and findings of the Commission's Amended Order in Administrative Case No. 251. Berea has not filed the terms and conditions in the tariff form prescribed by the Commission's regulations as required by the Commission's Order of September 17, 1982. The rules and regulations when appropriately filed will be subject to the approval of the Commission.

2. Berea should be allowed to substitute 1982 Annual Report information to adjust its annual carrying charge, if the information is filed with the Commission.

3. Berea's calculation of its annual carrying charge should be modified to exclude interest charges as this is covered by the rate of return component.

4. KCTA objects that Berea included the cost of many major appurtenances in its embedded pole plant figures. KCTA proposes that 35 percent of the pole cost figures should be deducted for non-CATV-related appurtenances. Berea responds that the Commission's order of September 17, 1982, only required electric utilities to deduct 15 percent, plus \$12.50 per ground wire, as the value of appurtenances. The Commission's Order of September 19, 1982, states on pages 9 and 10 that 22 percent

should be excluded for appurtenances for telephone utilities and that for electric utilities, when the cost of major appurtenances is segregated, only 15 percent, plus \$12.50 for ground wires, need be subtracted. As Berea does not segregate the cost of major appurtenances, 22 percent should be deducted from its pole account in calculating its bare pole cost. However, as no explicit deduction is thus made in this case for ground wires no charge should be added back when a CATV operator uses ground wires.

5. KCTA objects to Berea's late payment provision. This objection is unreasonable. The late payment provision should be and is the same as that applied to other customers of Berea.

ORDERS

IT IS THEREFORE ORDERED that Berea's CATV pole attachment tariff filed with the Commission on November 2, 1982, be and it hereby is rejected.

IT IS FURTHER ORDERED that Berea shall file revised rates, rules, and regulations governing CATV pole attachments with the Commission within 30 days from the date of this Order, and that the revised rates, rules and regulations shall conform to the findings of this Order and the Commission's Order of September 17, 1982.

IT IS FURTHER ORDERED that Berea shall file detailed workpapers supporting its revised rates at the same time it files its revised rates, rules and regulations.

Done at Frankfort, Kentucky, this 1st day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary