

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FLEMING-MASON	)	
RURAL ELECTRIC COOPERATIVE	)	
CORPORATION FOR INCREASED CATV	)	CASE NO. 93-036
POLE ATTACHMENT RATES	)	

O R D E R

On December 22, 1992, Fleming-Mason Rural Electric Cooperative Corporation ("Fleming-Mason") filed an application with the Commission wherein it proposed to increase rates for cable TV ("CATV") pole attachments effective December 31, 1992. On March 3, 1993, the Commission requested additional information from Fleming-Mason.

Fleming-Mason states that its CATV pole attachment tariff remains unchanged with the exception of using current costs in the calculation of the rates for two- and three-party pole attachments. Fleming-Mason provided cost support for the requested increases in the CATV attachment rates in accordance with the Commission's Order in Administrative Case No. 251-A.¹ One component of the rate formula established in that case and set forth in Fleming-Mason's tariffs is the utility's last approved rate of return. Fleming-Mason proposed a return of 4.97

¹ Administrative Case No. 251-A, The CATV Pole Attachment Tariff of Fleming-Mason Rural Electric Cooperative Corporation, Order dated March 31, 1983.

percent based on an extrapolation of the figures contained in a settlement agreement accepted by the Commission in Fleming Mason's last rate case, Case No. 90-081.²

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Fleming-Mason's use of a rate of return extrapolated from a settlement agreement is inappropriate. The settlement agreement in Case No. 90-081 does not set forth a rate of return, and no such return was explicitly approved by the Commission. Thus, the CATV rates should be calculated by utilizing a 7.04 percent return, the last return authorized by the Commission for Fleming-Mason in Case No. 7592.³

IT IS THEREFORE ORDERED that:

1. The rates proposed by Fleming-Mason be and they hereby are denied.

2. The rates and charges set forth in Appendix A, attached hereto and incorporated herein, be and they hereby are approved effective with service rendered on and after the date of this Order.

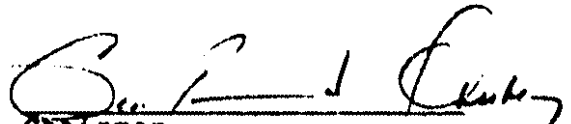
3. Within 30 days from the date of this Order, Fleming-Mason shall file with the Commission its revised tariff sheets setting out the rates and charges approved herein.

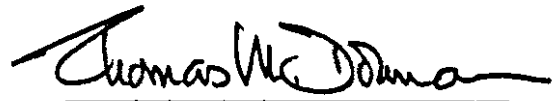
² Case No. 90-081, Adjustment of Rates of the Fleming-Mason Rural Electric Cooperative Corporation, Flemingsburg, Kentucky, Order dated November 6, 1990.

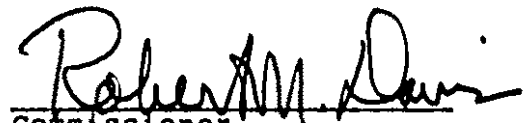
³ Case No. 7592, Adjustment of Rates of the Fleming-Mason Rural Electric Cooperative Corporation, Flemingsburg, Kentucky, Order dated April 18, 1980.

Done at Frankfort, Kentucky, this 24th day of May, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-036 DATED May 24, 1993

The following rates and charges are prescribed for the customers in the area served by Fleming-Mason Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

CABLE TELEVISION ATTACHMENT

Rental Charge

The yearly rental charge shall be as follows:

Two-Party Pole Attachment	\$3.70/yr.
Three-Party Pole Attachment	3.04/yr.