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AUG 09 2005

PUBLIC SERVICE
COMMISSION

August 9, 2005

via Hand Delivery

Hon. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40601

Re: *Application of Jackson Purchase Energy Corporation for Adjustments in Existing Cable Television Attachment Tariff, Case No. 2004-00319*

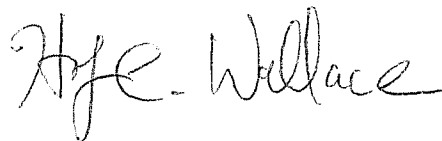
Dear Ms. O'Donnell:

Enclosed please find the original and ten copies of the Verified Prefiled Testimony of Randy C. Grogan and the original and ten copies of the Verified Prefiled Testimony of Harlon E. Parker for filing in the above-referenced case.

Thank you, and if you have any questions with regard to this matter, please call me.

Very truly yours,

DINSMORE & SHOHL LLP



Holly C. Wallace

HCW/bmt

Enclosure

cc: John E. Selent, Esq.

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

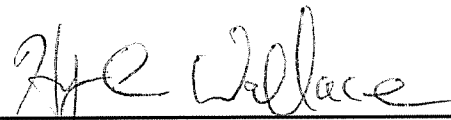
In the Matter of:

APPLICATION OF JACKSON PURCHASE)
ENERGY CORPORATION FOR ADJUST-)
MENTS IN EXISTING CABLE TELEVISION)
ATTACHED TARIFF)

Case No. 2004-00319

VERIFIED PREFILED DIRECT TESTIMONY
OF
RANDY C. GROGAN
ON BEHALF OF
BALLARD RURAL TELEPHONE COOPERATIVE CORPORATION, INC.

August 9, 2005



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TELEPHONE COOPERATIVE
CORPORATION, INC.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON PURCHASE)
ENERGY CORPORATION FOR ADJUST-)
MENTS IN EXISTING CABLE TELEVISION)
ATTACHED TARIFF) Case No. 2004-00319

VERIFIED PREFILED DIRECT TESTIMONY
OF
RANDY C. GROGAN
ON BEHALF OF
BALLARD RURAL TELEPHONE COOPERATIVE CORPORATION, INC.

August 9, 2005

I.
BACKGROUND

Q.1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

A. My name is Randy C. Grogan. I am the Controller of Ballard Rural Telephone Cooperative Corporation, Inc. ("Ballard Rural"). My business address is 159 W. 2nd Street, LaCenter, Kentucky 42056 and my business phone number is (270) 665-5186. As the Controller of Ballard Rural, my duties and responsibilities are to account for and manage all monies received by Ballard Rural and paid by Ballard Rural to third party vendors. I am also responsible for assisting the company in monitoring its financial health.

Q.2. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND .

A. I attained a Bachelor of Science Degree with an Area in Accounting from Murray State University in 1978. Before joining Ballard Rural I worked for 5 years in governmental and corporate auditing. The majority of my professional career, or the last 23 years, has been dedicated to the accounting department of Ballard Rural and I have served as Ballard Rural's Controller for the past 9 years.

II.
BALLARD RURAL'S CALCULATIONS FOR THE CABLE TELEVISION
ATTACHMENT TARIFF RATES OF JACKSON PURCHASE
ENERGY CORPORATION

Q.3. HAS BALLARD RURAL SUBMITTED CALCULATIONS FOR THE CABLE TELEVISION ATTACHMENT TARIFF ("CTAT") RATES OF JACKSON PURCHASE ENERGY CORPORATION ("JACKSON PURCHASE") ?

A. Yes. Pursuant to the request of the Kentucky Public Service Commission (the "Commission"), Ballard Rural submitted its own calculations for the CTAT rates of Jackson Purchase on or about February 25, 2005. I have attached those calculations to my testimony as "Exhibit A."

Q.4. DID YOU ACTIVELY PARTICIPATE IN PREPARING BALLARD RURAL'S CALCULATIONS OF THE CTAT RATES?

A. Yes, I did.

Q.5. HOW DID YOU PREPARE THOSE CALCULATIONS?

A. I used the methodology established by the Commission in Administrative Case No. 251.

Q.6. WHAT ARE BALLARD RURAL'S PROPOSED CTAT RATES?

A. Ballard Rural proposes the following rates:

2-Party Pole	\$3.95
3-Party Pole	\$3.35
2-Party Anchor	\$4.80

Q.7. ARE YOU FAMILIAR WITH JACKSON PURCHASE'S CALCULATIONS OF ITS CTAT RATES?

A. Generally speaking, yes. Jackson Purchase submitted revised CTAT calculations to the Commission on or about February 10, 2005 and I have reviewed them.

Q.8. WHAT ARE JACKSON PURCHASE'S PROPOSED CTAT RATES?

A. It is my understanding that Jackson Purchase proposes the following rates:

2-Party Pole	\$5.28
3-Party Pole	\$4.41
2-Party Anchor	\$5.52

Q.9. ARE YOU FAMILIAR WITH THE KENTUCKY CABLE TELECOMMUNICATIONS ASSOCIATION'S CALCULATIONS OF JACKSON PURCHASE'S CTAT RATES?

A. Again, generally speaking, yes. The Kentucky Cable Telecommunications Association ("KCTA") submitted calculations to the Commission about the same time as Ballard Rural, and I have reviewed KCTA's calculations.

Q.10 WHAT ARE KCTA'S PROPOSED CTAT RATES?

A. It is my understanding that the KCTA proposes the following rates:

2-Party Pole	\$4.60
3-Party Pole	\$3.88
2-Party Anchor	\$5.41

3-Party Anchor \$3.60

Q.11. WHICH CTAT CALCULATIONS DOES BALLARD RURAL PREFER?

A. Ballard Rural prefers its own CTAT calculations.

Q.12. WHY DOES BALLARD RURAL PREFER ITS CTAT CALCULATIONS?

A. Ballard Rural prefers its calculations of Jackson Purchase's CTAT rates because we believe that our calculations are more faithful to the methodology established by the Commission in Administrative Case No. 251. The following are the detailed reasons why we prefer our calculations.

(a) In calculating net pole investment, we used total gross pole investment reflected in account 364 and total accumulated depreciation on pole investment reflected in account 108.664. In contrast, Jackson Purchase and the KCTA calculated net pole investment by starting with total gross utility plant investment and total accumulated depreciation on utility investment. We believe that pole investment and pole depreciation are more appropriate to use in the calculation of net pole investment because net pole investment is then used to calculate the gross to net factor which is used in calculating net pole values. It is much more consistent with the principle of cost causation to use pole investment and pole depreciation in calculating net pole values, than it is to use total plant investment and total plant depreciation in calculating net pole values.

(b) Part of the formula for calculating CTAT rates includes calculating the annual carrying charge which includes a cost-of-money component. The Commission determined in Administrative Case No. 251 that the cost-of-money component should be the rate of return from the applicant's last general rate case. Accordingly, in calculating the annual carrying charge, Ballard Rural used a rate of return of 4.61% based on Jackson

Purchase's last general rate case. Jackson Purchase and the KCTA, however, used a rate of return of 5.81% based on adjustments made to the rate of return in the last general rate case, in the years following that general rate case. This figure is inconsistent with the uniform methodology established by the Commission in Administrative Case No. 251. The Commission has made it abundantly clear that the cost-of-money component should be the rate of return on investment allowed in the applicant's last general rate case. Therefore, we believe that the rate of return should be 4.61%.

(c) In calculating the pole attachment rates, Ballard Rural and the KCTA used a bare pole factor of .85 in accordance with Administrative Case No. 251. In contrast, Jackson Purchase used a bare pole factor of .936. Moreover, it provided no evidence to support this deviation from Administrative Case No. 251. Therefore, we believe that a bare pole factor of .85 is more consistent with the uniform methodology established by the Commission.

(d) In calculating the pole attachment rates, we did not factor in an average investment in grounds because Ballard Rural does not use Jackson Purchase's grounding on the majority of its attachments. Therefore, we have suggested a separate grounding rate. Jackson Purchase, on the other hand, includes an average investment in grounds of \$33.08 in its calculations. Pursuant to Administrative Case No. 251, the average investment in grounds should be \$12.50, not \$33.08. Moreover, Jackson Purchase's calculations assume that service operators place ground attachments on every other pole. This is an incorrect assumption. It is my understanding that Ballard Rural places ground attachments on its cable lines on approximately every fourth pole of Jackson Purchase. It is also my understanding that the majority of Ballard Rural's attachments are drops which

cannot be grounded. Therefore, we believe either that: 1) the pole attachment rates should reflect that grounds are attached on one fourth of Jackson Purchase's poles (this is similar to KCTA's proposal), or preferably 2) the grounds should not be included at all in the calculations of pole and anchor attachment rates; rather, the CTAT should include a separate tariffed rate for ground attachments which may only be assessed for those poles on which a service provider, such as Ballard Rural, has actually placed a ground attachment.

III. CONCLUSION

Q.13 WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY FOR THE COMMISSION?

- A. Yes. Ballard Rural's calculations of Jackson Purchase's CTAT rates are more faithful to the uniform methodology established by the Commission in Administrative Case No. 251 for the following reasons:
1. We use pole investment and pole depreciation in calculating net pole value rather than the gross utility plant investment and accumulated depreciation used by Jackson Purchase and the KCTA;
 2. We use a cost-of-money component based on the rate of return from Jackson Purchase's last general rate case, rather than a rate of return based on adjustments made in years following the last general rate case; and
 3. We propose alternative methods for accurately accounting for the actual number of ground attachments, rather than making the unsubstantiated assumption that service providers attach grounds to every other pole.

Q.14. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does, and thank you.

VERIFICATION

Randy C. Grogan, after being duly sworn, states that he has read the foregoing Verified Prefiled Direct Testimony, and that the statements set forth therein are true to the best of his information and belief.

Randy C. Grogan
Randy C. Grogan

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF Bullard)

SUBSCRIBED AND SWORN to before me a notary public by Randy C. Grogan, to me known, this 8 day of August, 2005.

My commission expires: 12/23/08

Doris Ann Whipple
Notary Public, State at Large

CERTIFICATE OF SERVICE

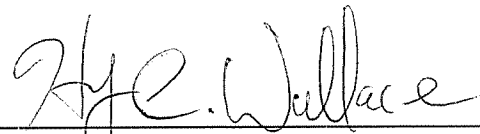
It is hereby certified that the Prefiled Direct Testimony of Randy C. Grogan on behalf of Ballard Rural Telephone Cooperative Corporation, Inc. was served by mailing a copy of the same by First Class United States Mail, postage prepaid, ^{and email (Hcw)} to the following individuals this 9th day of August, 2005:

Frank N. King, Jr.
Dorsey, King, Gray, Norment & Hopgood
318 Second Street
Henderson, KY 42420

G. Kelly Nuckols
President & CEO
Jackson Purchase Energy Corporation
2900 Irvin Cobb Drive
P. O. Box 4030
Paducah, KY 42002-4030

Frank F. Chuppe
Wyatt, Tarrant & Combs
500 West Jefferson Street, Suite 2600
Louisville, KY 40202

Gardner F. Gillespie
Hogan & Hartson, LLP
555 Thirteenth Street, NW
Washington, DC 20004-1109



**COUNSEL TO BALLARD RURAL
TELEPHONE COOPERATIVE
CORPORATION, INC.**

Ballard Rural Telephone Cooperative Corporation, Inc.
 JPEC Pole Rental Dispute Calculations
 From 12/31/2003 JPEC Records

Total Gross Pole Investment Account 364 (From Exhibit 11 - CPR Records)	\$25,283,927.89 NOTE 1
Less Total Accumulated Depreciation on Pole Investment (From Exhibit 15 - Account 108.664)	<u>\$8,470,238.00 NOTE 1</u>
Net Pole Investment	<u>\$16,813,689.89</u>

Net Pole Investment	\$16,813,689.89
Divided by Gross Pole Investment	<u>\$25,283,927.89</u>
Gross to Net Factor	<u>66.50%</u>

	Gross Book Value (Exhibit 11)		Gross to Net Factor		Net Book Value
35' Pole	\$2,402,755.96	times	66.50%	equals	\$1,597,821.10
40' Pole	\$6,765,738.92	times	66.50%	equals	\$4,499,183.69
45' Pole	\$1,647,556.26	times	66.50%	equals	\$1,095,616.95

NOTE 1: Pole Investment and Pole Depreciation are more appropriate to use in the calculation of the Gross to Net Factor in calculating Net Pole Values rather than Total Plant Investment and Total Plant Depreciation used in JPEC's calculations.

Development of Annual Carrying Charge

1. Operation and Maintenance Expense (Exhibit 1)	\$3,727,393.00
2. Customer Accounts Expense (Exhibit 1)	\$1,075,956.00
3. Customer Expense and Informational Expense (Exhibit 1)	\$214,035.00
4. Administration and General Expenses (Exhibit 1)	\$1,514,814.00
5. Depreciation Expense (Exhibit 1)	\$2,968,444.00
6. Taxes Other than Income Taxes (Exhibit 1)	<u>\$43,335.00</u>
7. Total Expenses of Providing Service	<u>\$9,543,977.00</u>
8. Original Utility Plant at End of 2003 - Net Book Value (Exhibit 1)	<u>\$66,205,319.00</u>
9. Expenses divided by Utility Plant at 12/31/2003 (Line 7 / Line 8)	14.42%
10. Rate of Return from Last General Rate Increase	4.61% NOTE 2
Carrying Charge (Line 9 + Line 10)	19.03% (A)

NOTE 2: Used the 4.61% Rate of Return from the last general rate case rather than using all the adjustments used by JPEC after the rate case to increase the rate of return to 5.81%.

2 Party Pole Attachment Rate:

	Quantity (Exhibit 11)	Plant Value	Weighted Average
Total 35' Poles in Plant (NET BOOK VALUE)	13,982	\$1,597,821.10	
Total 40' Poles in Plant (NET BOOK VALUE)	16,538	\$4,499,183.69	
Totals	30,520	\$6,097,004.80	\$199.77 (D)
2 Party Charge per Pole Attachment [A * (D * .85) * .1224]			<u>\$3.95</u>

3 Party Pole Attachment Rate:

	Quantity (Exhibit 11)	Plant Value	Weighted Average
Total 35' Poles in Plant (NET BOOK VALUE)	16,538	\$4,499,183.69	
Total 40' Poles in Plant (NET BOOK VALUE)	3,971	\$1,095,616.95	
Totals	20,509	\$5,594,800.65	\$272.80 (E)

3 Party Charge per Pole Attachment [A * (E * .85) * .0759] \$3.35

2 Party Anchor: Gross Guy/Anchor Plant Value (Exhibit 10)		\$5,213,927.00
Less JPEC estimated value of Guys (\$2,189,849)		\$3,024,078.00 NOTE 5
x Net plant factor of	66.50%	\$2,010,997.26
x Carrying Charge of	19.03%	\$382,606.82
Divided by # of Anchors (Exhibit 10)	39,833	\$9.61
Divided by # of Users	2	<u>\$4.80</u> 2 Party Anchor Attachment Rate

NOTE 3: Any bare pole factor other than .85 stated in case 251 would have to be substantiated by JPEC's records. An arbitrary factor is not acceptable.

NOTE 4: No Grounding is used in the above calculations. A better method than CATV probably grounds to approximately 50% of JPEC poles, is not acceptable. Possibly another rate could be calculated adding grounding to the calculation and applied only to those attachments using JPEC's grounding.

NOTE 5: Would like better backup, other than revised exhibit 12, on how JPEC calculated value of guys.

COMMONWEALTH OF KENTUCKY
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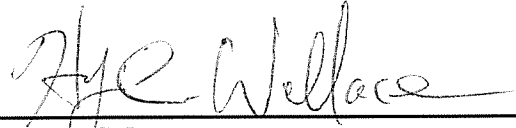
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In the Matter of:

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ATTACHED TARIFF) Case No. 2004-00319

VERIFIED PREFILED DIRECT TESTIMONY
OF
HARLON E. PARKER
ON BEHALF OF
BALLARD RURAL TELEPHONE COOPERATIVE CORPORATION, INC.

August 9, 2005



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COUNSEL TO BALLARD RURAL
TELEPHONE COOPERATIVE
CORPORATION, INC.

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

APPLICATION OF JACKSON PURCHASE)
ENERGY CORPORATION FOR ADJUST-)
MENTS IN EXISTING CABLE TELEVISION)
ATTACHED TARIFF) **Case No. 2004-00319**

**VERIFIED PREFILED DIRECT TESTIMONY
OF
HARLON E. PARKER
ON BEHALF OF
BALLARD RURAL TELEPHONE COOPERATIVE CORPORATION, INC.**

August 9, 2005

**I.
BACKGROUND**

1 **Q.1. WHAT IS YOUR NAME?**

2 A. My name is Harlon E. Parker.

3 **Q.2. WHAT IS YOUR OCCUPATION?**

4 A. I am the General Manager of Ballard Rural Telephone Cooperative Corporation,
5 Inc. ("Ballard Rural")

6 **Q.3. WHAT IS YOUR BUSINESS ADDRESS AND TELEPHONE NUMBER?**

7 A. My business address is 159 W. 2nd Street, LaCenter, Kentucky and my business
8 telephone number is (270) 665-5186.

9 **Q.4. HOW LONG HAVE YOU BEEN THE GENERAL MANAGER OF BALLARD**
10 **RURAL?**

1 A. I have been General Manager of Ballard Rural since 1981.

2 **Q.5. WHAT ARE YOUR DUTIES AND RESPONSIBILITIES AS GENERAL**
3 **MANAGER?**

4 A. I am responsible for the day-to-day operations of Ballard Rural.

5 **Q.6. AS GENERAL MANAGER, WHAT IS YOUR PHILOSOPHY OF MANAGING**
6 **BALLARD RURAL?**

7 A. My philosophy is simple. It is to provide a variety of quality telecommunications
8 services at an affordable price to the residential and business customers served by Ballard
9 Rural.

10 **Q.7. HOW LONG HAVE YOU WORKED IN THE TELEPHONE INDUSTRY?**

11 A. I have over 45 years of experience in the rural telephone industry and I have
12 worked at Ballard Rural since 1956.

13 **Q.8. WHAT ARE YOUR TIES TO THE GEOGRAPHIC AREA SERVED BY**
14 **BALLARD RURAL?**

15 A. I live, work and raise my family in rural, western Kentucky. I serve on the
16 Ballard County Rural Economic Development Board. I spend a great deal of time
17 working on economic development issues affecting my rural Kentucky home.

18 **Q.9. WHAT GEOGRAPHIC AREAS IN WESTERN KENTUCKY DOES BALLARD**
19 **RURAL SERVE?**

20 A. It serves all of Ballard County and rural western McCracken County.

21 **Q.10. HOW MANY SUBSCRIBERS DOES BALLARD RURAL HAVE?**

1 A. It has about 5,000 subscribers in Ballard County and about 1,700 subscribers in
2 rural western McCracken County, for a total of about 6,700 subscribers.

3 **Q.11. IS BALLARD RURAL A COOPERATIVE AND WHAT DOES THAT MEAN?**

4 A. Yes; and the fact that Ballard Rural is a cooperative means that it is owned by its
5 subscribers who elect a board of directors who govern the cooperative. I answer to this
6 Board of Directors.

7 **Q.12. WHAT TELECOMMUNICATION SERVICES DOES BALLARD RURAL
8 PROVIDE TO ITS SUBSCRIBERS?**

9 A. It provides local exchange carrier telephone services and internet/broadband
10 services to its customers. These services are of a high quality and are provided at an
11 affordable price, a fact of which I am very proud.

12 **II.**
13 **JACKSON PURCHASE ENERGY CORPORATION**
14 **("JACKSON PURCHASE")**
15

16 **Q.13. WHAT IS JACKSON PURCHASE?**

17 A. It is a cooperative, meaning it is owned by its customers, and it provides
18 electricity to its customers.

19 **Q.14. DO YOU KNOW WHETHER JACKSON PURCHASE IS ALSO A PROVIDER
20 OF CABLE TELEVISION SERVICES, OR THEIR EQUIVALENT?**

21 A. I do not think so. But, I do know that with advances in technology, it is possible
22 for a telephone utility to deliver video services, using its copper telephone cable, which
23 would be the equivalent of cable television services, to its customers. I see no reason
24 why Jackson Purchase could not do the same, that is, use its utility poles to deliver cable

1 television services, or their equivalent. I do know that Ballard Rural could, at least,
2 technologically do so, if it wanted to. And, Jackson Purchase, like Ballard Rural, could
3 also offer telecommunications services.

4 **III.**
5 **JACKSON PURCHASE'S CABLE TELEVISION**
6 **ATTACHMENT TARIFF ("CTAT") RATES**
7

8 **Q.15. WHY DID BALLARD RURAL INTERVENE IN JACKSON PURCHASE'S**
9 **APPLICATION TO ADJUST ITS CTAT RATES?**

10 A. Ballard Rural and Jackson Purchase have operated under a General Agreement for
11 Joint Use of Wood Poles since 1954. In September 2002, however, Jackson Purchase
12 proposed a pole attachment rate increase of approximately 500% without providing any
13 cost justification for this huge increase in pole attachment rates. Specifically, Jackson
14 Purchase proposed to raise its pole attachment rates for Ballard Rural from \$3.00 per pole
15 to either \$13.79 or \$17.75 per pole, depending upon height.

16 Then, on April 23, 2003, Jackson Purchase sent Ballard Rural a letter stating as
17 follows:

18 Unfortunately, it appears that we are unable to reach an agreement on a
19 schedule of rentals for pole attachments in order to amend the Joint-Use of
20 Wood Poles Agreement ("Joint Use Agreement"). Accordingly, please
21 allow this to serve as notice, pursuant to Article XX of the current joint-
22 use agreement between our companies, of Jackson Purchase Energy
23 Corporation's ("JPEC") intent to terminate this Agreement.

24
25 As per the terms of the joint use agreement, the current agreement will
26 terminate effective three years from the date of your receipt of this letter.
27 You should begin removal of your attachments from our poles no later
28 than six months from the date of your receipt of this letter. All
29 attachments should be removed from JPEC's poles prior to the expiration
30 of the three-year period. We will, of course, do the same. Further, as of

1 this date, JPEC requests that your company make no new pole attachments
2 without the prior, written consent of JPEC.

3
4 In effect, Jackson Purchase issued an ultimatum forcing Ballard Rural to choose between
5 a 460% increase in rates or vacating 3,292 poles. Therefore, Ballard Rural filed a
6 complaint against Jackson Purchase in Case No. 2004-00036 in order to protect its
7 customers from the adverse consequences associated with paying discriminatory, unfair,
8 unjust, and unreasonable rates for access to the utility poles of Jackson Purchase.

9 In that case, both parties suggested rates based on Jackson Purchase's CTAT rates.
10 Depending on the outcome of that case, Jackson Purchase's CTAT rates may very well
11 apply to Ballard Rural. Therefore, Ballard Rural intervened in this case in order to
12 protect its customers.

13 **Q.16. COULDN'T BALLARD RURAL SIMPLY ERECT ITS OWN POLES RATHER**
14 **THAN ATTACH TO THOSE OF JACKSON PURCHASE?**

15 A. No.

16 First, Ballard Rural would have to incur the substantial cost of removing its
17 facilities from the utility poles of Jackson Purchase, including a difficult-to-calculate,
18 one-time cost of retirement resulting in an amortization charge of substantial size, most
19 likely in the seven-figure range (\$1,000,000.00). Second, Ballard Rural would have to
20 incur the substantial cost of duplicating the poles of Jackson Purchase which it presently
21 occupies. This would be a complex and time-consuming endeavor from both a technical
22 and legal perspective. It would require Ballard Rural to determine whether it needs to
23 acquire right-of-way and then to determine how to go about acquiring that right-of-way
24 from state, local (city and county), and private entities. Ballard Rural would then face the

1 monumental task of designing, engineering and building those facilities. *Finally*, the
2 duplication of the Jackson Purchase facilities presently occupied by Ballard Rural would
3 not be very attractive because where you now have one pole, you would have two.

4 **Q.17. IF BALLARD RURAL HAD TO DUPLICATE THE UTILITY POLES OF**
5 **JACKSON PURCHASE, WOULD THIS IMPAIR THE ABILITY OF BALLARD**
6 **RURAL TO DELIVER ITS TELECOMMUNICATIONS SERVICE TO ITS**
7 **CUSTOMERS?**

8 A. It very well could. Ballard Rural occupies many more utility poles belonging to
9 Jackson Purchase than Jackson Purchase occupies utility poles belonging to Ballard
10 Rural. (Ballard Rural is on 3,292 poles belonging to Jackson Purchase; and Jackson
11 Purchase is on 170 utility poles belonging to Ballard Rural.) Ballard Rural would have to
12 really refocus its efforts on this substantial construction project of erecting many
13 thousands of utility poles and removing its facilities from the utility poles of Jackson
14 Purchase. This could require Ballard Rural to spend substantial resources consisting of
15 time, labor, and money on what we consider to be an unnecessary endeavor, instead of
16 focusing on the delivery of a variety of quality telecommunication services to our
17 customers at affordable prices.

18 **Q.18 WHAT RATES DOES BALLARD RURAL BELIEVE ARE FAIR, JUST AND**
19 **REASONABLE AND NON-DISCRIMINATORY?**

20 A. Ballard Rural believes that the CTAT rates that it proposed are fair, just,
21 reasonable and non-discriminatory.

22 **V.**
23 **CONCLUSION**

1
2 **Q.19 WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY FOR THE**
3 **COMMISION?**

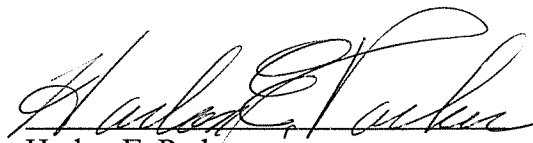
4 A. Yes. Ballard Rural intervened in this case because, in Case No. 2004-00036, both
5 Jackson Purchase and Ballard Rural suggested pole attachment rates based on Jackson
6 Purchase's CTAT. Moreover, it would be extremely costly, lead to unsightly duplication
7 of facilities, and hinder Ballard Rural's ability to provide its customers with quality
8 services at reasonable prices, if Ballard Rural were required to erect its own poles.
9 Finally, Ballard Rural believes that the CTAT rates it proposed are fair, just, reasonable
10 and non-discriminatory in accordance with the Kentucky Revised Statutes.

11 **Q.20. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 A. Yes, it does, thank you.

1 **VERIFICATION**

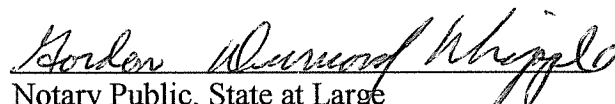
2
3 Harlon E. Parker, after being duly sworn, states that he has read the foregoing Verified
4 Prefiled Direct Testimony, and that the statements set forth therein are true to the best of his
5 information and belief.

6
7
8 
9 Harlon E. Parker

10
11
12
13 COMMONWEALTH OF KENTUCKY)
14) SS:
15 COUNTY OF Ballard)

16
17 SUBSCRIBED AND SWORN to before me a notary public by Harlon E. Parker, to me
18 known, this 8 day of August, 2005.

19
20 My commission expires: 12/23/08

21
22
23 
24 Notary Public, State at Large
25
26
27
28

CERTIFICATE OF SERVICE

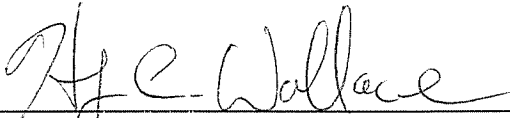
It is hereby certified that the Prefiled Direct Testimony of Harlon E. Parker on behalf of Ballard Rural Telephone Cooperative Corporation, Inc. was served by mailing a copy of the same by First Class United States Mail, postage prepaid, ^{and e-mail (HAW)} to the following individuals this 9th day of August, 2005:

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