

# Harlan Community Television, Inc.

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February 18, 2010

Mr. Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sowers Boulevard  
Frankfort, KY 40602

**RECEIVED**

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PUBLIC SERVICE  
COMMISSION

Re: Case No. 2009-00548  
Adjustment of Electric Rates of Kentucky Utilities Company

Dear Mr. DeRouen:

As you are aware, Kentucky Utilities Company (hereinafter referred to as "KU") recently filed an Adjustment of Electric Rates (Case No. 2009-00548) which contains new tariff pages for pole attachments.

The current KU tariff provided for a rental charge of \$2.71 per year per attachment, subject to annual adjustment upward or downward based on changes in costs. The proposed KU tariff provides for an attachment charge of \$8.93 per year per attachment, again subject to annual adjustment upward or downward based on changes in costs. The proposed tariff calls for an increase of \$6.22 per pole. This nearly 300% rate increase will have a dramatic negative effect on the deployment and adoption of broadband facilities, particularly in rural areas. Additionally, it will cause the retail prices of cable, broadband, and telephone services in Kentucky to sky-rocket.

Pole attachment fees are a significant cost associated with deploying and operating broadband networks, and therefore ensuring that those rates are fair for all broadband providers should be critical to the Kentucky Public Service Commission (hereinafter referred to as "PSC"). The tariff would nearly triple the rate applicable to cable operator pole attachments. Such an approach would radically increase the cost of deploying and operating broadband networks in Kentucky.

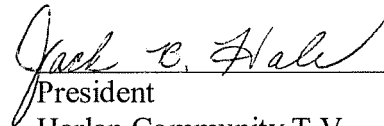
The KU tariff proposes a massive increase in pole attachment rates. The ability to attach cable facilities to utility poles at regulated rates has been the foundation of the cable industry's successful roll-out of advanced video, voice, and data services. The availability of reasonably priced access to poles has enabled cable operators to expand and upgrade

their networks, thus promoting competition and encouraging network investment. With these advanced networks, cable operators in Kentucky, such as Harlan Community T.V., have been able to offer high-capacity broadband Internet access and Voice over Internet Protocol services.

Rural areas, such as Harlan County, would be particularly hard hit by the proposed increases in pole attachment rates. Broadband providers, such as Harlan Community T.V., face unique challenges extending broadband service to rural portions of Kentucky. Difficult terrain and sparse population mean that more poles are required to pickup each potential customer in unserved areas. Clearly, a dramatic increase in pole attachment fees will lead to less investment in Kentucky and higher prices for retail cable, broadband and telephone services.

Thank you in advance for this opportunity to comment on the proposed increase in pole attachment rates by KU. On behalf of Harlan Community T.V., I implore the PSC not to allow KU to increase its pole attachment rates.

Jack B. Hale



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President

Harlan Community T.V.