

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF THE	)	
PROPOSED POLE ATTACHMENT TARIFFS OF	)	CASE NO.
RURAL ELECTRIC COOPERATIVE	)	2022-00106
CORPORATIONS	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO RURAL ELECTRIC COOPERATIVE CORPORATIONS

Big Rivers Electric Corporation; Big Sandy RECC; Blue Grass Energy Cooperative Corp.; Clark Energy Cooperative, Inc.; Cumberland Valley Electric, Inc.; East Kentucky Power Cooperative, Inc.; Farmers RECC; Fleming-Mason Energy Cooperative, Inc.; Grayson RECC; Inter-County Energy Cooperative Corporation; Jackson Energy Cooperative Corporation; Jackson Purchase Energy Corporation; Kenergy Corp.; Licking Valley RECC; Meade County RECC; Nolin RECC; Owen Electric Cooperative, Inc.; Salt River Electric Cooperative Corp.; Shelby Energy Cooperative, Inc.; South Kentucky RECC; and Taylor County RECC (collectively, the RECCs), pursuant to 807 KAR 5:001, are each to file separately with the Commission an electronic version of the following information.<sup>1</sup> The information requested is due on May 5, 2022. The Commission directs RECCs to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>2</sup> regarding

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<sup>1</sup> Except for questions directed to a specific utility, each utility should respond to each question separately as if the question was directed exclusive to it. For questions directed to a specific utility, only the utility to which the question is directed needs to respond.

<sup>2</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

RECCs shall make timely amendment to any prior response if RECCs obtain information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which RECCs fail or refuse to furnish all or part of the requested information, RECCs shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, RECCs shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Joint Response of Rural Electric Cooperative Corporations to Objections filed by KBCA and AT&T, page 7, regarding the reservation of space.

a. Explain what limits, if any, the language in your proposed tariff places on the utility's ability to reserve space with references to relevant tariff language and statutes and regulations, if applicable.

b. Explain specifically whether the ability to reserve space is intended to be limited to space for equipment necessary to provide electric service.

2. Refer to the Joint Response of Rural Electric Cooperative Corporations to Objections filed by KBCA and AT&T, page 8, regarding penalties for violations other than unauthorized attachments.

a. Identify how often such penalties are expected to be imposed per year and the amount of revenue expected to be generate from them.

b. Explain whether the penalty would be imposed on a per pole basis and, if so, explain whether there would be any limit to the penalties that could arise from a single practice, such as an improper means of attachment repeated on multiple poles.

c. Explain why the imposition of the penalty is permissive (i.e., "Cooperative may impose") and how that would be imposed on a non-discriminatory basis.

d. Describe the types of issues this penalty is intended to prevent.

3. Refer to the Joint Response of Rural Electric Cooperative Corporations to Objections filed by KBCA and AT&T, pages 12–13, regarding the definition of attachment. Explain how attachers would be charged for overlashing based on the definition of attachment in the proposed tariff.

4. Refer to the Joint Response of Rural Electric Cooperative Corporations to Objections filed by KBCA and AT&T, pages 15–16, regarding the definition of “Supply Space.” Explain whether the requirement that the initial attachment be one foot above the required ground clearance was included, in part or in whole, to account for a drop in the height of the line across the span length. If so, explain why the one-foot drop was used (as opposed to some other amount).

5. Refer to the Joint Response of Rural Electric Cooperative Corporations to Objections filed by KBCA and AT&T, pages 20–21, regarding the cost of safety inspections.

a. Explain what circumstances would generally justify a finding of “reasonable cause to believe code violations or unsafe conditions (or other violations of ARTICLE III) exist on its system.”

b. Explain how such safety inspections would differ from pole inspections required by 807 KAR 5:006, and explain whether they would be conducted in conjunction with such inspections or any other required system inspection.

c. Explain how the cost of such safety inspections would be separated from other operation and maintenance costs and how such costs, if any, would be allocated to specific attachers.

6. a. Identify each account and subaccount in which the costs of utility poles in service are recorded.

b. Provide a narrative description of the costs that are recorded in each such account, including a description of the type and vintage of poles for which costs are

recorded in the account and a description other plant, if any, for which costs are recorded in the account.

c. Provide an Excel spreadsheet with all formulas, rows, and columns unprotected and fully accessible showing the plant in service balance of each such account at the end of each of the last five fiscal years.

7. a. Identify each account and subaccount in which accumulated depreciation for poles in service is recorded.

b. Provide a narrative description of how the accumulated depreciation in each such account is calculated.

c. Identify the corresponding plant account or accounts for each account in which accumulated depreciation for poles is recorded.

d. Provide an Excel spreadsheet with all formulas, rows, and columns unprotected and fully accessible showing the balance of each such account at the end of each of the last five fiscal years.

8. a. Identify the depreciation rates currently used to calculate depreciation expense for each account containing utility pole costs.

b. Identify the case in which each such depreciation rate was set.

c. Identify the useful lives of the poles used to calculate each such depreciation rate.

9. Identify the total number of distribution poles in your system, and provide a breakdown of those poles based on the year they were installed.

10. Identify the total number of transmission poles in your system, and provide a breakdown of those poles based on the year they were installed.

11. Describe in detail the current plan or policy regarding the inspection and replacement of aging or damaged poles in your system, and provide a copy of any such plan or policy that has been memorialized in writing.

12. State whether new attachers will be subsidizing other utility customers by paying the full cost to replace a utility pole that is not a red-tagged pole when the replacement pole has a longer useful life than the pole that is replaced, and explain each basis for the response.

13. Explain how it would affect capital planning and the ability to complete other necessary projects if utilities were required to cover the cost of every pole that had to be replaced to accommodate a new attacher less the undepreciated value of the pole being replaced.

14. Describe in detail the issues with pole loading that arise from overloading, including how wind and ice affect pole loading, and explain the technical bases for such contentions.

15. Explain how the amount of the administrative review fee for completeness was determined, and provide any documentation or analysis supporting the amount of that fee.

16. Explain how the estimated pole survey costs in your proposed tariff were determined, and provide any documentation or analysis supporting the estimate.

17. Provide justification for the unauthorized attachment fee of five times the current annual fee.

18. Regarding payments not made on time:

a. Explain the reasoning and justification for charging interest at 1.5 percent per month instead of establishing a late payment charge.

b. Explain whether the interest charged on any balance that remains unpaid would be simple or compound interest.

c. Explain why 807 KAR 5:006, Section 9(3)(h), which states that a late payment charge may be assessed only once on a bill for rendered services, would not apply to the interest charge.

19. a. Explain what the performance bond required by Article XXI and Appendix D of the proposed tariff is intended to secure.

b. Explain whether there is a market for such performance bonds, including specifically whether there is a market for performance bonds that secure “the payment by the Licensee of any damages, claims, liens, taxes, liquidated damages, penalties, or fees due to Cooperative.”

c. Explain why it would not be duplicative to require an attacher to maintain performance bonds that secure “the payment by the Licensee of any damages, claims, liens, taxes, liquidated damages, penalties, or fees due to Cooperative” while also maintaining the required insurance coverages and listing the utility as an additional insured on the policies.

d. Explain how the amount of the performance bond was determined.

20. For Shelby Energy only, refer to the proposed tariff, PSC KY No. 9, Original Sheet No. 302.33, Appendix A – Application/Request to Attach, and Original Sheet No. 302.36, Appendix C – Bill of Sale. Explain why the Application/Request to Attach and the

Bill of Sale have not been included in the proposed tariff and is instead only available upon request.

21. For Big Rivers only, refer to the proposed tariff, P.S.C. KY No. 27, Original Sheet No. 38.12, Make-Ready. Explain whether Big Rivers requires pole attachment customers to prepay survey costs. If so, explain why the proposed tariff does not include a per pole estimate of survey costs.

22. For Nolin RECC only, refer to the proposed tariff, PSC KY No. 2, Original Sheet No. 36, Appendix A – Application/Request to Attach, and Original Sheet No. 40, Appendix C – Bill of Sale. Explain why the Application/Request to Attach and the Bill of Sale have not been included in the proposed tariff and is instead only available upon request.

23. For East Kentucky Power Cooperative (EKPC) only:

a. Refer to the March 18, 2022 cover letter to EKPC's proposed tariff filing. Explain why Commission approval of the proposed tariff is required prior to developing an application for attachment owners to submit and a contract for any approved attachments.

b. Refer to EKPC's proposed tariff, P.S.C. No. 35, Original Sheet No. 102. Explain why a per pole estimate of survey costs is not included in the proposed tariff seeing as requesting attachment owners are required to prepay estimated modification costs.

c. Refer to EKPC's proposed tariff, P.S.C. No. 35, Original Sheet No. 102. Explain why the attachment charges and terms and conditions of service are not included in the proposed tariff and why they will be determined on a case-by-case basis.



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DATED APR 22 2022

cc: Parties of Record

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