

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE CATV POLE ATTACHMENT)	
TARIFF OF HAROLD TELEPHONE)	ADMINISTRATIVE
COMPANY, INC.)	CASE NO. 251-9

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 with the principles and findings of the Order on or before November 1, 1982.

On November 9, 1982, Harold Telephone Company, Inc., ("Harold") filed rates, rules, and regulations governing CATV pole attachments. Although late, the Commission accepted the filing. On November 15, 1982, the Commission suspended Harold's CATV pole attachment tariff to allow the maximum statutory time for investigation and comment from interested parties.

On November 19, 1982, the Kentucky Cable Television Association, Inc., ("KCTA") requested and was granted leave to intervene and comment on Harold's CATV pole attachment tariff. On January 17, 1983, KCTA filed a statement of objections to various CATV pole attachment tariffs, but made no specific objections in the case of Harold.

The Commission considers the matter of Harold's CATV pole attachment tariff submitted for final determination.

Findings

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

1. Harold's rules and regulations governing CATV pole attachments conform with the principles and findings of the Commission's Amended Order in Administrative Case No. 251, and should be approved, except as follows:

(a) Harold did not file a rule or regulation governing CATV anchor attachments. The Commission advises Harold that it is not required to provide CATV anchor attachments. However, in the event Harold provides or plans to provide CATV anchor attachments, it should file a CATV anchor attachment rate, along with appropriate cost information.

(b) At page 2, section 3.1, the Commission advises Harold that the service requirements of a CATV operator cannot be subordinated to the service requirements of other customers. If pole attachment space is available or can be made available, then Harold cannot deny service to a CATV operator. Therefore, the non-interference clause of this regulation and any similar statements elsewhere in the tariff should be deleted.

(c) At page 5, section 6.2, page 6, section 6.4, and where it may occur elsewhere in the tariff, Harold should define the meaning of "reasonable cause."

(d) At page 11, section 10.5, the Commission advises Harold that it may establish conditions on the assignment, transfer, or subletting of the right to make CATV pole attachments, but cannot infringe on the right of a CATV operator to dispose of CATV property.

2. Harold failed to provide sufficient information to verify its calculations of embedded pole cost. Therefore, Harold should file information from plant records or another reliable source showing the number of 30-foot, 35-foot, 40-foot, and 45-foot poles in service, and related pole investment. The information should be classified according to vintage year. Also, any discrepancy between the total number of poles shown in the calculations of embedded pole cost and the total number of poles shown in the 1981 Annual Report should be explained.

3. Harold failed to provide sufficient information to verify a CATV conduit usage rate. Rates may not be calculated on an individual basis at the time of application. Therefore, Harold should file information from plant records or another reliable source sufficient to establish a CATV conduit usage rate, calculated consistent with the Commission's Amended Order in Administrative Case No. 251.

4. Harold's calculation of its annual carrying charge should be modified as follows:

(a) The cost of money component should be deleted, because the cost of debt was included in the last rate of return authorized by the Commission, in Case No. 8137, "Adjustment of Rates of Harold Telephone Company, Inc."

(b) The administration and overhead should be 8.15 percent, as calculated from the 1981 Annual Report.

(c) The maintenance component should be 1.81 percent, as calculated from the 1981 Annual Report. The maintenance component should be based on the most recent available information. It should not be calculated as a 5-year average or inflated.

(d) The total annual carrying charge should be 23.86 percent, based on calculations from the 1981 Annual Report and the Commission's Order in Case No. 8137.

4. Harold should be allowed to substitute 1982 Annual Report information to adjust its annual carrying charge from the level stated in this Order, if the information is available and filed with the Commission. Furthermore, any adjusted calculations of the annual carrying charge should be made as outlined in Attachment 1 to this Order, unless a specific deviation is requested and reasonable cause is demonstrated.

Orders

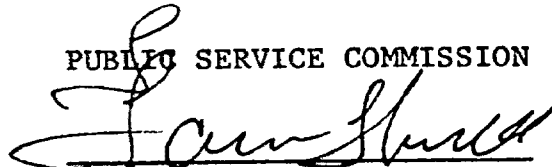
IT IS THEREFORE ORDERED that Harold's CATV pole attachment tariff as filed with the Commission on November 9, 1982, be and it hereby is denied.

IT IS FURTHER ORDERED that Harold 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 with the findings of this Order.

IT IS FURTHER ORDERED that Harold shall file information as outlined in this Order concerning embedded pole cost, at the same time it files its revised rates, rules, and regulations.

Done at Frankfort, Kentucky, this 31st day of March, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

Attachment 1
CATV Annual Carrying Charge

The annual carrying charge should be based on the 1981 or 1982 Annual Report, Form M, to the Public Service Commission of Kentucky, and Commission Orders, as follows:

1. Depreciation

Depreciation on pole lines is stated at Page 31, Line 7, Column (d).

2. Taxes

The formula for calculating taxes is:

$\frac{\text{Page 16, Lines 6 + 7, Column (b)}}{\text{Page 12, Line 10, Column (b)}}$

3. Administration and Overhead

The formula for calculating administration and overhead is:

$\frac{\text{Page 61, Lines 36 + 45 + 51 + 61, Column (b)}}{\text{Page 12, Line 10, Column } \frac{\text{(b + c)}}{2}}$

4. Maintenance

The formula for calculating maintenance is:

$\frac{\text{Page 60, Line 1, Column (b)}}{\text{Page 19, Line 11, Column } \frac{\text{(b + h)}}{2}}$

5. The rate of return should be the most recent rate of return authorized by the Commission.