

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE CATV POLE ATTACHMENT	)	
TARIFF OF LESLIE COUNTY	)	ADMINISTRATIVE
TELEPHONE COMPANY, INC.	)	CASE NO. 251-11

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 4, 1982, Leslie County Telephone Company, Inc., ("Leslie County") filed rates, rules, and regulations governing CATV pole attachments. On November 15, 1982, the Commission suspended Leslie County's CATV pole attachment tariff to allow the maximum statutory time for investigation and comment from interested persons.

On November 19, 1982, the Kentucky Cable Television Association, Inc., ("KCTA") requested and was granted leave to intervene and comment on Leslie County'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 Leslie County.

The Commission considers the matter of Leslie County'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. Leslie County'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.

2. Leslie County did not file a CATV conduit usage rate. The Commission advises Leslie County that in the event it provides or plans to provide CATV conduit space, it should file a CATV conduit usage rate, along with appropriate cost information.

3. Leslie County failed to provide sufficient information to verify its calculations of embedded pole cost. Therefore, Leslie County 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.

4. Leslie County failed to provide sufficient information to verify its calculations of anchor cost. Therefore, Leslie County should file information from plant records or another suitable source showing anchor cost, calculated in a manner consistent with the Commission's Amended Order in Administrative Case No. 251.

5. Leslie County's calculation of its annual carrying charge should be modified as follows:

(a) The cost of money component should be deleted in lieu of a rate of return that includes the cost of debt.

(b) The taxes component should be 1.47 percent, as calculated from the 1981 Annual Report.

(c) The rate of return component should be 6.18 percent, which is 1.5 times Leslie County's cost of debt, as calculated from the 1981 Annual Report. The rate of return component should be based on the 1981 Annual Report because Leslie County has not had a rate case before the Commission in the recent past in which a rate of return was authorized.

(d) The total annual carrying charge should be 21.16 percent, based on calculations from the 1981 Annual Report.

6. Leslie County should be allowed to substitute 1982 Annual Report information to adjust its annual carrying charge, if the information is available and filed with the Commission. Furthermore, any adjusted calculation 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

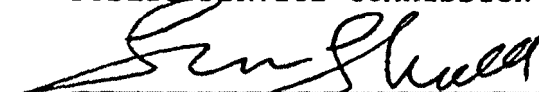
IT IS THEREFORE ORDERED that Leslie County's CATV pole attachment tariff as filed with the Commission on November 4, 1982, be and it hereby is denied.

IT IS FURTHER ORDERED that Leslie County 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 Leslie County 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:

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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:

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

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 formula for calculating rate of return is:

$$1.5 \times \frac{\text{Page 16, Lines 23 + 24, Column (b)}}{\text{Page 13, Line 62, Column } \frac{\text{b + c}}{2}}$$