

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE CATV POLE ATTACHMENT)	
TARIFF OF CONTINENTAL)	ADMINISTRATIVE
TELEPHONE COMPANY OF)	CASE NO. 251-5
KENTUCKY)	

ORDER ON PETITION FOR REHEARING

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

On October 29, 1982, Continental Telephone Company of Kentucky ("Continental") filed rates, rules, and regulations for CATV pole attachments. On November 15, 1982, the Commission suspended Continental'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 Continental's CATV pole

attachment tariff. On January 17, 1983, KCTA filed a statement of objections to various CATV pole attachment tariffs, including Continental's tariff. On May 23, 1983, the Commission issued its Order on Continental's CATV pole attachment tariff.

On May 27, 1983, Continental filed a petition for rehearing, requesting that the Commission reconsider paragraph 4 of its Order of May 23, 1983, which reads as follows:

4. Continental failed to provide sufficient information to verify its calculation of embedded pole costs. Therefore, Continental 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. Insofar as pre-1970 pole investment data is unavailable on a vintage year basis, a pre-1970 composite of pole investment may be used. Also, any discrepancy between the total number of poles shown in the calculation of embedded pole costs and the total number of poles shown in the 1981 Annual Report should be explained.¹

Specifically, Continental requested relief from the requirement to file information on embedded pole investment by vintage year.

¹ The phrase "pre-1970" should read "pre-1971."

On June 9, 1983, KCTA filed a statement of opposition to Continental's petition for rehearing.

FINDINGS

The Commission, after consideration of the petition for rehearing and the evidence of record, is of the opinion and finds that:

1. The Amended Order in Administrative Case No. 251 requires that Continental develop a weighted average cost of poles available for CATV attachments. Methodologically, this requires the use of vintage data concerning the number of pole placements and the unit cost of poles on an annual or other reasonable basis. Continental filed vintage data for the period 1971-1980.

2. KCTA objected to Continental's failure to include investment in poles prior to 1971 in its calculation of CATV pole attachment rates. The Commission sustained KCTA's objection on pages 2-3 in paragraphs 1 and 4 of its Order of May 23, 1983. KCTA argued and the Commission agreed that Continental's failure to include pre-1971 investment in poles distorts the pole attachment rate calculations, and is inconsistent with the methodology outlined in the Amended Order in Administrative Case No. 251.

3. Continental's petition for rehearing should be denied and Continental should file revised CATV pole attachment rates that include pre-1971 investment in poles,

either on a vintage basis or a composite basis if vintage data is unavailable, as outlined in the Commission's Order of May 23, 1983.

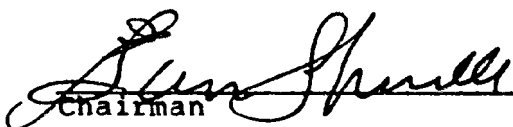
ORDERS

IT IS THEREFORE ORDERED that Continental's petition for rehearing be and it hereby is denied.

IT IS FURTHER ORDERED that the Commission's Order of May 23, 1983, be and it hereby is affirmed, except as herein footnoted.

Done at Frankfort, Kentucky, this 16th day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary