

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

• * * * *

In the Matter of:

THE CATV POLE ATTACHMENT)
TARIFF OF CINCINNATI) ADMINISTRATIVE
BELL, INC.) CASE NO. 251-4

O R D E R

Procedural Background

On July 1, 1983, the Kentucky Cable Television Association ("KCTA") filed a petition for reconsideration of the Commission's Order of June 1, 1983.

Opinions and Findings

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

1. KCTA's petition for reconsideration to modify the methodology for calculating annual carrying charge components outlined in the Commission's Order of June 1, 1983, should be denied. KCTA's argument that deferred income taxes should not be included in the annual carrying charge tax component is unreasonable. Deferred income taxes are part of the overall tax liability for which the customers of Cincinnati Bell, Inc., ("Bell") must bear the ultimate burden, including CATV customers; and, moreover, the treatment accorded to taxes is consistent with the treatment accorded to taxes in arriving at Bell's revenue requirement in a general rate case. Also, KCTA's argument that

the annual carrying charge administration and overhead component includes cost elements directly unrelated to CATV service ignores the fact that these expenses are general in nature and common to all Bell's customers, including CATV customers, and are therefore allocable to all rates charged by Bell, including CATV rates.

2. KCTA's petition for reconsideration to disallow a contribution to the cost of basic service from CATV rates should be denied. KCTA has raised this objection in the past and it has been denied in the past, both in the Commission's generic Order in Administrative Case No. 251, The Adoption of a Standard Methodology for Establishing Rates for CATV Pole Attachments, dated September 17, 1982, in which the Commission allowed a contribution, and, specifically, in its Bell Order of June 1, 1983.

3. KCTA's petition for reconsideration to disallow a surcharge on "make-ready" work that precedes CATV installations should be denied. KCTA has raised this objection in the past and it has been denied in the past, both in the Commission's generic Order of September 17, 1982, in which the Commission allowed a surcharge, and, specifically, in its Bell Order of June 1, 1983.

Orders

IT IS THEREFORE ORDERED that KCTA's petition for reconsideration to modify the methodology for calculating annual carrying charge components outlined in the Commission's Order of June 1, 1983, be and it hereby is denied.

IT IS FURTHER ORDERED that KCTA's petition for reconsideration to disallow a contribution from CATV rates be and it hereby is denied.

IT IS FURTHER ORDERED that KCTA's petition for reconsideration to disallow a surcharge on "make-ready" work be and it hereby is denied.

Done at Frankfort, Kentucky, this 21st day of July, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary