

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE VERIFIED APPLICATION OF THE )  
BRANDENBURG TELEPHONE COMPANY, INC. )  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE ) CASE NO. 93-357  
AND NECESSITY TO CONSTRUCT A NEW )  
HEADQUARTERS FACILITY IN BRANDENBURG, )  
KENTUCKY )

O R D E R

On August 24, 1995, Brandenburg Telephone Company, Inc. ("Brandenburg Telephone") filed a motion for rehearing of four issues in the Commission's August 3, 1995, Order granting Brandenburg Telephone a certificate to construct a headquarters facility. The Commission denies rehearing.

First, Brandenburg Telephone seeks relief from that part of the Order which requires it to provide monthly detailed journal entries recording expenditures and reclassifications associated with the construction project. Brandenburg Telephone argues that this requirement is unnecessarily time-consuming and, in the alternative, proposes that it provide its journal entries on a quarterly basis.

This construction represents a major addition to Brandenburg Telephone's rate base. The company has supplied varied estimates of project costs throughout this proceeding. The Commission should be promptly advised of the actual effect the construction project will have on Brandenburg Telephone's operations. As Brandenburg

Telephone prepares the journal entries on a monthly basis in the ordinary course of business, furnishing copies to the Commission should impose no real burden.

Brandenburg Telephone next asks the Commission to reconsider the allocation of \$166,766 of land acquisition cost to Account 32.2006, Non-Operating Plant. Land acquired for which there is no definite plan for use in providing telecommunications service or land acquired in excess of that required for telecommunications purposes should be recorded in this account pursuant to Federal Communications Commission Part 32 rules.

The evidence presented by Brandenburg Telephone at the hearing indicated that 10 to 12 acres would be needed.<sup>1</sup> The cost of 12 acres approved by the Commission for inclusion in the rate base is more than adequate land for Brandenburg Telephone to construct its facilities and to provide Brandenburg Telephone access to Kentucky Highway 1051.

Brandenburg Telephone contests the Commission's decision that the costs of gas, water, and electric service to the facility should be treated as expenses rather than capitalized, and that the accompanying overhead, profit, architectural fees, and engineering fees relating to these costs should be reduced. The company argues that the Part 32 rules provide that certain construction and utility service costs should be included in Account 32.2121 and, as a result, should be capitalized. The Commission disagrees. RAO

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<sup>1</sup> Transcript of Evidence at 76.

letter 6<sup>2</sup> does not indicate that service lines from the point of connection with the serving utility are telecommunications property. Therefore, these facilities are not plant used to provide telecommunications service and are appropriately treated as expenses. Brandenburg Telephone has presented no evidence to the contrary.

Finally, Brandenburg Telephone challenges the exclusion of the costs, profit, and overhead for a second entrance to the facility. It argues that forcing its trucks and those of its vendors to use the same entrance as customers and employees is unsafe and inefficient. However, commingling of cars and trucks is an everyday occurrence and would be unsafe only assuming that the company's trucks or those of its vendors would be operated in an unsafe manner. There being no evidence to this effect, Brandenburg Telephone's ratepayers should be spared the expense of a second entrance to the facilities.

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<sup>2</sup> See Attachment 1 of the Commission's August 3, 1995 Order.

The Commission having considered Brandenburg Telephone's motion for rehearing and having been otherwise sufficiently advised, HEREBY ORDERS that rehearing is denied.

Done at Frankfort, Kentucky, this 8th day of September, 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director