

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTH CENTRAL)	
TELEPHONE COOPERATIVE CORPORATION)	CASE NO.
TO ADJUST RATES AND CHARGES FOR)	2007-00162
BASIC LOCAL EXCHANGE SERVICE)	

COMMISSION STAFF'S FIRST
DATA REQUEST TO NORTH CENTRAL

North Central Telephone Cooperative Corporation ("North Central"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 5 copies of the following information, with a copy to each party of record. The information requested herein is due on or before January 23, 2008. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

North Central shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any requests to which North Central fails to furnish all or part of the requested information, North Central shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Provide an outline of the specific timeline for the integration of voice services over the copper-fiber network after completion of the construction project, as outlined in Case No. 2007-00432.¹ If no specific timeline is available, provide an estimate to the best of your ability and knowledge.

2. Refer to Exhibit 6 of the application, the Prefiled Direct Testimony of F. Thomas Rowland, pp. 9-10. Mr. Rowland refers to the operational advantages of the hybrid copper-fiber network, as related to the provision of broadband services.

a. In detail, describe the specific financial savings North Central expects to realize on maintenance costs to voice services after the deployment of the fiber network.

b. Outline savings for a 3-year period after the fiber network has been deployed for use within the Kentucky service area.

3. Outline all expected operational advantages to voice customers in the Kentucky service area once the copper-fiber network is deployed for use.

¹ Case No. 2007-00432, Application of North Central Telephone Cooperative Corporation for a Certificate of Public Convenience and Necessity for the Construction of Fiber Optic Cable in Allen County, Kentucky.

4. Refer to Exhibit 6 of the application, the Prefiled Direct Testimony of F. Thomas Rowland, p. 12. Mr. Rowland states that in January 2007, North Central increased rates for non-basic services, including custom-calling and directory listing services.

a. State, in detail, all increases employed by North Central for non-basic services between 2005 through the date of this data request.

b. For each non-basic service, state the previous charge for the service and the new, increased charge.

5. Provide North Central's equity management plan.

a. Indicate when the current plan was adopted and identify any changes made in the plan since the year utilized as the test year in North Central's last rate case.

b. Provide a 5-year analysis of the amount of capital credits refunded to members under the plan and indicate the amounts related to general retirements and special retirements (i.e., estates of deceased patrons).

6. Refer to Exhibit 8 of the application, the Prefiled Direct Testimony of Thomas M. Strait, pp. 9, 11, and 12. Mr. Strait states that the Rural Utilities Service ("RUS") directed North Central to maintain a minimum Times Interest Earned Ratio ("TIER") of 1.0 through December 31, 2007 and a minimum TIER of at least 1.42 thereafter. Outline, in detail, the exact revenue increase North Central would need, as derived from charges for basic services, in order to reach the 1.42 TIER after December 31, 2007.

7. Provide North Central's TIER and debt service coverage ratio, as calculated by RUS, for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.

8. Provide a TIER calculation for the test period with the proposed rate increase and a TIER calculation for the test period without the proposed rate increase.

9. Exhibit 22 of the application projects that the annual revenue of the proposed rate increase will be \$217,128. Provide the projected annual revenue derived from North Central's Tennessee customers based on the proposed rate increase.

10. Provide financial statements for the test period (2006) in the same format as Exhibit 5. Provide the data in Excel spreadsheet format.

11. Provide an updated Exhibit 10 with actual results for the periods up to December 2007, if available, and provide budgeted amounts through the end of year 2008. Provide the data in Microsoft Excel 97-2003 spreadsheet format.

12. Did any of the prefiled testimony account for the increase in rates of non-basic services that have been implemented in 2007? Provide updates if necessary.

13. Identify any other rate or revenue increases that have happened in the test period or in 2007, such as interstate access rates or universal fund disbursements.

14. Identify the company's Annual Universal Fund support in the test period. Identify the account wherein this fund support is booked.

15. Provide, in comparative form, a detailed income statement, a statement of cash flows, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

16. Provide North Central's rate of return on net investment rate base for the test year and 5 preceding calendar years. Include the data used to calculate each return.

17. Provide a list of depreciation expenses. List each account, the balance at the end of the test year, the depreciation rate, and the annual depreciation.

18. Are the depreciation rates reflected in this filing identical to those most recently approved by the Commission?

a. If yes, identify the case in which they were approved.

b. If no, provide the depreciation study that supports the rates reflected in this filing.

19. Provide separate schedules for the test year and the year preceding the test year, including the following information regarding North Central's investments in subsidiaries and joint ventures:

a. Name of subsidiary or joint venture.

b. Date of initial investment.

c. Amount and type of investment.

d. Balance sheet and income statement. Where only internal statements are prepared, furnish copies of these.

e. Names of officers of each of the subsidiaries or joint ventures, each officer's annual compensation, and the portion of the compensation charged to the subsidiary or joint venture. Indicate the position that each officer holds with North Central and the compensation received from North Central.

20. Provide separate schedules showing all dividends or any type of income received by North Central from its subsidiaries or joint ventures for the test year and the 3 years preceding the test year. Indicate how this income is reflected in the reports filed with the Commission and any reports to North Central's member-customers.

21. Concerning non-regulated activities:

a. Is North Central engaged in any non-regulated activities? If yes, provide a detailed description of each non-regulated activity.

b. Is North Central engaged in any non-regulated activities through an affiliate? If yes, provide the name of each affiliate and the non-regulated activity in which it is engaged.

c. Identify each service agreement with each affiliate and indicate whether the service agreement is on file with the Commission. Provide a copy of each service agreement not already on file with the Commission.

d. Has North Central loaned any money or property to any affiliate? If yes, describe in detail what was loaned, the terms of the loan, and the name of the affiliate.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED: January 4, 2008

cc: Parties of Record