COMMONWEALTH OF KENTUCKY BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF CLARK ENERGY COOPERATIVE, INC. OF) WINCHESTER, KENTUCKY, FOR COMMISSION AUTHORIZATION TO) ADJUST CATV POLE ATTACHMENT RATES

CASE NO. 2004-00442

APPLICATION

Clark Energy Cooperative, Inc. of Winchester, Kentucky, hereinafter referred to as "Clark", respectfully submits this Application seeking Commission approval to adjust CATV pole attachment rates. Clark respectfully states the following:

1. The full name and address of Applicant is:

Clark Energy Cooperative, Inc. 2640 Iron Works Road P.O. Box 748 Winchester, KY 40392

 Clark is a corporation, duly organized, created and existing by and under the laws of the State of Kentucky, and is engaged in the business of supplying retail electric service in Bath, Bourbon, Clark, Estill, Fayette, Madison, Menifee, Montgomery, Morgan, Powell, Rowan and Wolfe Counties in Kentucky.

A certified copy of Clark's Articles of Incorporation has been previously filed in Case No. 92-219 with the Kentucky Public Service Commission, hereinafter referred to as the "Commission", as required by 807 KAR 5:001 (Rules of Procedure) Section 10(1)(b)(3). An Amendment to the Articles of Incorporation pertaining to a name change from Clark Rural Electric Cooperative Corporation to Clark Energy Cooperative, Inc. was filed by letter dated July 17, 1997.

A Secretary of State's Certificate of Existence is attached to Clark's Application as Exhibit 1 as evidence of Clark's incorporated status in good standing as required by 807 KAR 5:001 Section 10(1)(b)(5).

A certified copy of a certificate of an assumed name is not necessary as prescribed by 807 KAR 5:001 Section 10(1)(b)(6).

- 3. Administrative Case No. 251 issued by the Commission is 1982 recognizes pole attachments maintained by CATV companies on regulated utilities' poles as a unique type of customer. This administrative case prescribed a uniform methodology through which all regulated utilities may regularly revise their CATV pole attachment rates without the requirements of preparing a full rate case consistent with 807 KAR 5:001 Section 10(1)(b)(1), hereinafter referred to as the "Commission's Methodology".
- Clark's Application requests the Commission authorize a revised tariff adjustment to existing CATV pole attachment rates per KRS 278.180, hereinafter referred to as the "Authorization", effective January 1, 2005 consistent with 807 KAR 5:001 Section 10 (1)(b)(7).

A revised tariff illustrating the proposed adjustment in CATV pole attachment rates is attached to Clark's Application as Exhibit 2. All proposed tariff revisions are illustrated consistent with 807 KAR 5:001 Section 10(1)(b)(8)(b).

Exhibits A and B within the proposed tariff provide a complete description and quantified explanation for all proposed cost revisions, activity levels, and other factors affecting the proposed CATV pole attachment rates. Exhibits A and B within the proposed tariff are attached to Clark's Application as Exhibit 3 as prescribed by 807 KAR 5:001 Section 10(6)(a).

- Clark has provided notice to all CATV customers of the proposed adjustment in CATV pole attachment rates as prescribed by 807 KAR 5:001 Section 10(1)(b)(9). A copy of all notices is attached to Clark's Application as Exhibit 4.
- Clark's Application only seeks to recover pole attachment costs consistent with the Commission's Methodology. Similarly, Clark's Application is consistent with the settlement agreement with the Kentucky Cable Telecommunications Association in Clark's previous adjustment in CATV pole attachment rates approved by the Commission in Case No. 2000-529.
- A comparison of existing CATV pole attachment rates and revenues with proposed CATV rates and revenues including percentage changes is attached to Clark's Application as Exhibit 5 as prescribed by 807 KAR 5:001 Section 10(6)(d).

A simplified pro forma Income Statement and Balance Sheet for a historical calendar year 2003 test period illustrating existing and proposed CATV pole attachment rates on TIER is attached to Clark's Application as Exhibit 6 as prescribed by 807 KAR 5:001 Sections 10(1)(a) and 10(7)(a). Similarly, a simplified Income Statement and Balance Sheet illustrating Clark's actual financial position for a 12-month period ending October 31, 2004 is attached as Exhibit 7.

The proposed CATV pole attachment rates do not improve Clark's financial position over that authorized in Clark's previous general rate case, i.e. Case No. 92-219.

- 8. Clark's annual reports, including the most recent calendar year (2003), are on file with the Commission as required by 807 KAR 5:006 Section 3(1) and 807 KAR 5:001 Section 10(1)(b)(2).
- An independent auditor's report for two 12-month audit periods ending April 30, 2003 and April 30, 2004 is attached to Clark's Application as Exhibit 8 as prescribed by 807 KAR 5:001 Section 10(6)(k).
- 10. The Federal Energy Regulatory Commission has not conducted any audits of Clark and no reports are available as prescribed by 807 KAR 5:001 Sections 10(6)(I) and 10(6)(m).
- 11. Clark has not issued any prospectuses for any stock or bond offerings as prescribed by 807 KAR 5:001 Section 10(6)(p).
- 12. Administrative Case No. 251 issued by the Commission is 1982 prescribes a uniform methodology through which all regulated utilities may regularly revise their CATV pole attachment rates without the requirements of preparing a general rate case. The Commission routinely allows utilities to deviate from the requirements of a general rate case, including Clark's previous adjustment in CATV pole attachment rates approved by the Commission in Case No. 2000-529. Deviations, in such cases, are consistent with Administrative Case No 251 and 807 KAR 5:001 Section 14.

Clark's Application only proposes an adjustment to CATV pole attachment rates. No adjustments in other rates are proposed. Clark's Application, therefore, requests the Commission allow deviations from the following filing requirements:

- (a) Written notice of intent to file as is normally required by 807 KAR 5:001 Section 10(2).
- (b) Prepared testimony of each witness who will support the Application as is normally required by 807 KAR 5:001 Sections 10(6)(b) and 10(6)(c).
- (c) Effect upon the average bill as is normally required by 807 KAR 5:001 Section 10(6)(e).
- (d) Analysis of customers' bills in detail for each customer class as is normally required by 807 KAR 5:001 Section 10(6)(g).
- (e) Summary of determination of revenue requirements as is normally required by 807 KAR 5:001 Section 10(6)(h).

- (f) Reconciliation of rate base and capital used to determine revenue requirements as is normally required by 807 KAR 5:001 Section 10(6)(i).
- (g) Detailed chart of accounts as is normally required by 807 KAR 5:001 Section 10 6)(j).
- (h) Depreciation study as is normally required by 807 KAR 5:001 Section 10(6)(n).
- (i) Annual reports covering the prior two years as is normally required by 807 KAR 5:001 Section 10(6)(q).
- (j) Monthly managerial reports as is normally required by 807 KAR 5:001 Section 10(6)(r).
- (k) SEC's annual reports as is normally required by 807 KAR 5:001 Section 10(6)(s). Clark is not regulated by the SEC.
- (I) Amounts charged, allocated, or paid to an affiliate, general, or home office as is normally required by 807 KAR 5:001 Section 10(6)(t).
- (m) Cost of Service study as is normally required by 807 KAR 5:001 Section 10(6)(u).
- (n) Capital construction budget as is normally required by 807 KAR 5:001 Section 10(7)(b).
- (o) Proposed pro forma adjustments reflecting plant additions as is normally required by 807 KAR 5:001 Section 10(7)(c).
- (p) Operating budget for each month of the period encompassing the pro forma adjustments as is normally required by 807 KAR 5:001 Section 10(7)(d).
- (q) Number of customers to be added to the test period and related revenue requirements as is normally required by 807 KAR 5:001 Section 10(7)(e).

Clark is not a local exchange carrier and the requirements of 807 KAR 5:001 Sections 10(6)(f) and 10(6)(v) are not applicable.

- 13. Clark utilized standard Microsoft Office[™] and Adobe Acrobat[™] products to develop all schedules and work papers associated with this Application and filings as prescribed by 807 KAR 5:001 Section 10(6)(o).
- 14. This Application and all supporting documentation is being filed using the procedures and guidelines of the Commission's electronic filing initiative. The Commission has already assigned Clark a user ID, password and established Case No. 2004-00382 for Clark to electronically file this Application.

WHEREFORE, Clark respectfully requests the Commission issue an Order authorizing the proposed adjustment to CATV pole attachment rates.

COMMONWEALTH OF KENTUCKY

COUNTY OF CLARK, SCT

Overt L. Carroll, after first being duly sworn, deposes and says: That he is the President and Chief Executive Officer of Clark Energy Cooperative, Inc., a rural electric cooperative corporation, duly organized and doing business under the Rural Electric Cooperative Corporation Act of the Commonwealth of Kentucky: That he has read the foregoing Application and knows the contents thereof: That the same is true of his own knowledge except as to such matters as are therein stated on information or belief, and as to those matters he believes it to be true.

This 16th day of November 2004.

CLARK ENERGY COOPERATIVE, INC.

Overt L. Carroll, President and CEO

Subscribed and sworn to before me by Overt L. Carroll, this 16th day of November 2004.

Notary Public, Kentycky State-at-Large

My COMMISSION EXPIRES JULY 7, 2006.

Legal Counsel:

Grant, Rose & Pumphrey 51 South Main Street Winchester, Kentucky 40391