

**COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION**

In the Matter of:

APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN) CASE NO. 2014-00371
ADJUSTMENT OF ITS ELECTRIC RATES)

**KENTUCKY CABLE TELECOMMUNICATIONS ASSOCIATION'S
RESPONSES TO
COMMISSION STAFF'S DATA REQUESTS**

FILED April 6, 2015

KENTUCKY CABLE TELECOMMUNICATIONS ASSOCIATION

CASE NO. 2014-00371

**Response to Commission Staff's
Data Requests
Dated April 6, 2015**

Responding Witness: Patricia Kravtin

DATA REQUEST NO. 1(a):

Refer to the Direct Testimony of Patricia D. Kravtin ("Kravtin Testimony"), page 4. The Testimony refers to the test year in this case as being the 12 months ending October 31, 2014.

Explain the use of this period for the Kravtin Testimony and Attachments rather than the 12 months ending June 30, 2016, which is the actual test year in this proceeding.

RESPONSE:

KCTA responds that the costs used to calculate pole attachment rates under the Commission's pole attachment rate methodology as set forth in Administrative Case No. 251 and its progeny are based on actual, rather than projected, costs. To the best of KCTA's knowledge, pole attachment rates approved by the Commission have never been based on costs projected for a future test year. KCTA further responds that, in both its First and Supplemental Data Requests, it instructed Kentucky Utilities Company ("KU") to provide data for the forecasted time period ending June 30, 2016 to the extent it relies on the forecasted data to support its pole attachment rates. *See* KCTA First Data Requests, Instruction No. 6; KCTA Supplemental Data Requests, Instruction No. 7. KU did not provide any data for the forecasted period.

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DATA REQUEST NO. 2(b):

Provide a revised Attachment 2 to the Kravtin Testimony which calculates pole attachment charges based on the test year ending June 30, 2016. Provide the Attachment in Excel spreadsheet format with the formulas intact and unprotected.

RESPONSE:

KCTA responds that it is unable to provide a revised Attachment 2 which calculates pole attachment charges based on the test year ending June 30, 2016, because KU did not provide forecasted data. KCTA responds that the costs used to calculate pole attachment rates under the Commission's methodology are based on actual, rather than projected, costs. To the best of KCTA's knowledge, pole attachment rates approved by the Commission have never been based on costs projected for a future test year. KCTA further responds that a revised Attachment 2 is unnecessary because the Kravtin Testimony and attachments establish that KU's pole attachment rates are not reasonable under its costs as of March 31, 2012, nor are they reasonable under KU's costs for the period ending October 31, 2014.

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DATA REQUEST NO. 2:

Refer to Kravtin Testimony, page 16, and Attachment 2. Page 16 states that “temporary placeholder for actual values” were used in Ms. Kravtin’s pole attachment charge calculations. Provide Attachment 2 in Excel spreadsheet format with the formulas intact and unprotected. In the Excel spreadsheet version of Attachment 2, identify all amounts that are “temporary placeholders” in some way (for example, by highlighting with a specific color).

RESPONSE:

Please see the attached Excel file. *See also* Kravtin Testimony, 20, 39-41 (explaining placeholders).

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DATA REQUEST NO. 3:

Refer to the Kravtin Testimony, page 22. Provide the supporting calculation for the .552 net-to-gross ratio for poles for the "2014 test year."

RESPONSE:

KCTA responds that the .552 net-to-gross ratio for poles for the period ending 2014 is calculated by dividing the net investment in KU's account 364 (which is the gross investment in KU's account 364 less the total depreciation reserve in KU account 364) by the gross investment in KU's account 364. The calculation is as follows:

$\$328,470,050.83$ (gross investment account 364) - $\$147,120,172.47$ (total depreciation reserve account 364) = $\$181,349,878.36$ (net investment account 364).

$\$181,349,878.36$ (net investment account 364) / $\$328,470,050.83$ (gross investment account 364)
= **.552 (net-to-gross ratio for poles)**