COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter

ELECTRONIC INVESTIGATION OF THE)
PROPOSED POLE ATTACHMENT TARIFFS OF) CASE NO. 2022-00106
RURAL ELECTRIC COOPERATIVE)
CORPORATIONS)

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Big Rivers Electric Corporation ("Big Rivers" or the "Cooperative"), by counsel, hereby files its Response to Commission Staff's First Requests for Information, issued in the above-captioned case on April 21, 2022.

FILED: May 5, 2022

TARIFFS OF RURAL ELECTRIC COOPERATIVE CORPORATIONS

CASE NO. 2022-00106

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 1: Refer to the Joint Response of Rural Electric Cooperative

Corporations to Objections filed by KBCA and AT&T, page 7, regarding the reservation of space.

a. Explain what limits, if any, the language in your proposed tariff places on the

utility's ability to reserve space with references to relevant tariff language and statutes and

regulations, if applicable.

b. Explain specifically whether the ability to reserve space is intended to be limited to

space for equipment necessary to provide electric service.

RESPONSE:

. Big Rivers generally designs and constructs transmission facilities to meet

identified current or future needs and does not reserve space for undefined needs. The

tariff does allow the Licensee to request documentation to validate the need for future space

if such is reserved in "the event Big Rivers installs a pole larger than is initially required

for Big Rivers and Licensee's use in anticipation of Big Rivers' future requirements or

additions. Further, Sheet No. 38.19 of Big Rivers' proposed tariff states that if Big Rivers

denies an Application on its merits, then Big Rivers' decision shall be specific, shall

include all relevant evidence and information supporting its decision, and shall explain how

the evidence and information relate to a denial of access pursuant to 807 KAR 5:0015

Section 4(2)(b)(5).

¹ See Section 6-Division of Costs at Sheet No. 38.30.

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b. Any reserved space would be limited to equipment required to fulfill the obligation to provide electric service.

Witness: Christopher S. Bradley, Big Rivers' Vice President of System Operations

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Witness: Christopher S. Bradley

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REQUEST NO. 2: Refer to the Joint Response of Rural Electric Cooperative Corporations

to Objections filed by KBCA and AT&T, page 8, regarding penalties for violations other than

unauthorized attachments.

a. Identify how often such penalties are expected to be imposed per year and the

amount of revenue expected to be generate from them.

b. Explain whether the penalty would be imposed on a per pole basis and, if so, explain

whether there would be any limit to the penalties that could arise from a single practice,

such as an improper means of attachment repeated on multiple poles.

c. Explain why the imposition of the penalty is permissive (i.e., "Cooperative may

impose") and how that would be imposed on a non-discriminatory basis.

d. Describe the types of issues this penalty is intended to prevent.

RESPONSE:

a. Based on a lack of connection violations or issues in the past, Big Rivers expects

the number of penalties and associated revenue to be minimal.

b. Penalties are expected to be imposed on a per pole basis. No limits are anticipated

since the actual impacts to the utility are expected to be on a per pole basis.

c. The permissive "may" was employed to avoid a situation, e.g., where an attacher is

taking good-faith action to remedy a violation but is still technically in violation. The

Cooperative believes it may reasonably employ penalties in a discretionary, but

nondiscriminatory, manner (recognizing, of course, that any unreasonable or

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Witness: Christopher S. Bradley

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discriminatory imposition of penalties could subject the Cooperative to a complaint case available under law).

d. The overall desire is to prevent improper connections that could pose a safety risk, a reliability risk to those who utilize the facilities, or any other risks to the facilities. The penalty is intended to incent the offending entity to correct the violation in a timely manner to ensure the facility can continue to be operated in a safe and reliable manner.

Witness: Christopher S. Bradley, Big Rivers' Vice President of System Operations

TARIFFS OF RURAL ELECTRIC COOPERATIVE CORPORATIONS

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REQUEST NO. 3: Refer to the Joint Response of Rural Electric Cooperative corporations

to Objections filed by KBCA and AT&T, pages 12–13, regarding the definition of attachment.

Explain how attachers would be charged for overlashing based on the definition of attachment in

the proposed tariff.

RESPONSE: Overlashing is intended to remain subject to code compliance and safety

standards, like all attachments, but it is not the intention of the Cooperative to charge an annual

rental rate for overlashed facilities.

Witness:

Christopher S. Bradley, Big Rivers' Vice President of System Operations

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REQUEST NO. 4: Refer to the Joint Response of Rural Electric Cooperative Corporations

to Objections filed by KBCA and AT&T, pages 15–16, regarding the definition of "Supply Space."

Explain whether the requirement that the initial attachment be one foot above the required ground

clearance was included, in part or in whole, to account for a drop in the height of the line across

the span length. If so, explain why the one-foot drop was used (as opposed to some other amount).

RESPONSE: It appears there is a misunderstanding with respect the pertinent language.

It is not the intention of the Cooperative to require an initial attachment be placed one foot above

the lowest possible point that provides appropriate ground clearance, but rather at the lowest

possible point that provides appropriate ground clearance. The reference to "one foot" can be

eliminated from the final tariff.

Witness:

Christopher S. Bradley, Big Rivers' Vice President of System Operations

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REQUEST NO. 5: Refer to the Joint Response of Rural Electric Cooperative Corporations

to Objections filed by KBCA and AT&T, pages 20–21, regarding the cost of safety inspections.

a. Explain what circumstances would generally justify a finding of "reasonable cause

to believe code violations or unsafe conditions (or other violations of ARTICLE III) 1 exist

on its system."

b. Explain how such safety inspections would differ from pole inspections required

by 807 KAR 5:006, and explain whether they would be conducted in conjunction with such

inspections or any other required system inspection.

c. Explain how the cost of such safety inspections would be separated from other

operation and maintenance costs and how such costs, if any, would be allocated to specific

attachers.

RESPONSE:

a. Various circumstances could result in the determination of reasonable cause,

including the observation of a potential code violation, safety risk, reliability risk, or other

issue reported by Big Rivers' field personnel or others while working in the vicinity of the

subject facility, during a routine inspection, or from an inspection during or following a

service interruption. Specific examples of circumstances that would constitute reasonable

cause to believe code violations or unsafe conditions exist include unauthorized

¹ This is Section 1 – Attachment to Poles, in Big Rivers' Proposed Tariff.

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attachments, clearance issues, or a fallen tree or similar situation where the condition of

Licensee's cable and/or facilities are creating undue strain on the facilities of Big Rivers or

an outside party.

b. Routine pole inspections conducted pursuant to 807 KAR 5:006 generally focus on

the integrity of the pole, cross arms, insulators, conductors, guy wires and anchors, and

similar infrastructure required to maintain electric reliability and safe system operation.

While these inspections certainly include attention to third-party attachments, the primary

focus is on "electric facilities...including insulators, conductors, meters, and supporting

facilities...for damage, deterioration, and vegetation management...[,]" as contemplated

by regulation. See 807 KAR 5:006 Section 26(4)(b)(4). Safety inspections outlined in the

Proposed Tariff are intended to specifically focus on third-party attachments and the

issue(s) that gave rise to the inspection.

. All costs related to independent inspections and any necessary pole loading studies

or evaluations related to attacher-specific pole attachments will be captured through

specific account coding and should be allocated to that attacher. Any increased inspection

costs that result from attacher-specific pole attachment issues will be documented and

captured in a specific account and allocated to that attacher.

Witness:

Christopher S. Bradley, Big Rivers' Vice President of System Operations

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 6:

a. Identify each account and subaccount in which the costs of utility poles in service

are recorded.

b. Provide a narrative description of the costs that are recorded in each such account,

including a description of the type and vintage of poles for which costs are recorded in the

account and a description other plant, if any, for which costs are recorded in the account.

c. Provide an Excel spreadsheet with all formulas, rows, and columns unprotected and

fully accessible showing the plant in service balance of each such account at the end of

each of the last five fiscal years.

RESPONSE:

a. Costs of Big Rivers' utility poles in service is recorded in the following

accounts: Account 10103550 - "Poles and Fixtures" and Account 10103551 - "Poles and

Fixtures – Special."

b. Account 10103550, – "Poles and Fixtures" and Account 10103551 – "Poles and

Fixtures – Special," include the cost installed of transmission line poles (wood and steel),

together with appurtenant fixtures used for supporting overhead transmission conductors.

The vintage years recorded for wood and steel poles on Big Rivers' system range from

1951 to present. Account 10103551 records costs related to projects that tie into Big

Rivers' systems (SIPC, TVA, and etc.).

c. See attached Exhibit 6(c).

Case No. 2022-00106 Response to PSC 1-6

Witness: Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Paul G. Smith, Big Rivers' Chief Financial Officer

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 7:

a. Identify each account and subaccount in which accumulated depreciation for poles

in service is recorded.

b. Provide a narrative description of how the accumulated depreciation in each such

account is calculated.

c. Identify the corresponding plant account or accounts for each account in which

accumulated depreciation for poles is recorded.

d. Provide an Excel spreadsheet with all formulas, rows, and columns unprotected and

fully accessible showing the balance of each such account at the end of each of the last five

fiscal years.

RESPONSE:

a. Accumulated depreciation for Big Rivers' poles in services is recorded in

the following accounts: Account 10853550 - "Poles and Fixtures - Trans;" Account

10853551 – "Poles and Fixtures – Special;" Account 10893550 – "Depreciation Reserve

Adjustment;" and Account 10893551 – "Depreciation Reserve Adjustment."

b. Depreciation of utility plant in service is recorded monthly based on the approved

annual composite depreciation rate, using the straight-line method over the estimated

remaining service life. On a monthly basis, the gross utility plant balance is multiplied by

1/12 of the respective approved annual depreciation rate. The result of this calculation is

recorded in accumulated depreciation and depreciation expense.

Case No. 2022-00106 Response to PSC 1-7

Witness: Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

c. See the table below for plant accounts and the corresponding accumulated depreciation account for poles.

Plant In Service Account		Corresponding Accum. Depr.Account	
10103550	Poles and Fixtures	10853550	Poles and Fixtures-Trans
		10893550	Depreciation Reserve Adjustment
10103551	Poles and Fixtures-Special	10853551	Poles and Fixtures-Special
		10893551	Depreciation Reserve Adjustment

d. See attached Exhibit 7(d).

Witness: Paul G. Smith, Big Rivers' Chief Financial Officer

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 8:

a. Identify the depreciation rates currently used to calculate depreciation expense for

each account containing utility pole costs.

b. Identify the case in which each such depreciation rate was set.

c. Identify the useful lives of the poles used to calculate each such depreciation rate.

RESPONSE:

a. The depreciation rates currently used to calculate depreciation expense for each of

the accounts containing utility pole costs are based on the Comprehensive Depreciation

Study dated November 2012. The depreciation rates utilized to calculate depreciation

expense is 2.03% for poles and fixtures (accounts 10103550, and 10103551).

b. The Commission approved Big Rivers' depreciation rates based on its

Comprehensive Depreciation Study dated November 2012 and filed in Case No. 2013-

00199, In the Matter of: Application of Big Rivers Electric Corporation for a General

Adjustment in Rates Supported by Fully Forecasted Test Period.

c. The useful life utilized in the Comprehensive Depreciation Study dated November

2012 is 49.5 years for poles and fixtures (accounts 10103550 and 10103551).

Witness:

Paul G. Smith, Big Rivers' Chief Financial Officer

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 9: Identify the total number of distribution poles in your system, and provide a breakdown of those poles based on the year they were installed.

RESPONSE: There are zero distribution poles in Big Rivers' system.

Witness: Christopher S. Bradley, Big Rivers' Vice President of System Operations

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 10: Identify the total number of transmission poles in your system, and provide a breakdown of those poles based on the year they were installed.

RESPONSE: Big Rivers has 17,012 transmission poles. Please see the breakdown shown in the tables below:

Big Rivers Electric Corporation Transmission Pole Vintages		
Year Number of		
Installed	Poles	
1951	46	
1952	11	
1953	115	
1955	83	
1956	201	
1957	132	
1958	1	
1959	21	
1960	16	
1961	14	
1962	43	
1963	216	
1964	2086	
1965	1164	
1966	356	
1967	1241	
1968	572	
1969	626	
1970	88	
1971	170	
1972	249	
1973	65	

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

1974	340	
Big Rivers Electric Corporation		
Transmission Pole Vintages		
(continued)		
Year	Number of	
Installed	Poles	
1975	567	
1976	404	
1977	73	
1978	216	
1979	27	
1980	435	
1981	70	
1982	1598	
1983	573	
1984	471	
1985	179	
1986	317	
1987	64	
1988	192	
1989	101	
1990	78	
1991	114	
1992	100	
1993	278	
1994	122	
1995	126	
1996	112	
1997	68	
1998	90	
1999	254	
2000	140	
2001	386	

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

2002	112	
2003	72	
Big Rivers Electric Corporation		
Transmission Pole Vintages		
(continued)		
Year Installed	Number of Poles	
2004	111	
2005	119	
2006	91	
2007	206	
2008	148	
2009	154	
2010	181	
2011	73	
2012	84	
2013	55	
2014	53	
2015	39	
2016	145	
2017	54	
2018	24	
2019	36	
2020	36	
2021	33	
2022	175	
Total	17,012	

Witness: Christopher S. Bradley, Big Rivers' Vice President of System Operations

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 11: Describe in detail the current plan or policy regarding the inspection

and replacement of aging or damaged poles in your system, and provide a copy of any such plan

or policy that has been memorialized in writing.

RESPONSE: Big Rivers' inspection plan for its transmission line structures is organized

into a five plus five year cycle with approximately 20% of the system inspected annually. A copy

of the "System Inspection Plan" is attached to this response as Exhibit 11-A. The first five year

cycle consists of visual inspection and sounding of the wood. Suspected decay and voids are

repaired, and the pole is fumigated. The second five year cycle is more comprehensive with a

repeat of the visual inspection and sounding of the pole to the top. Additionally, the pole top is

treated and capped. Insulators and cross arms are inspected and hardware is tightened. Woodpecker

damage is repaired. The pole butt is bored, fumigated, and treated below ground line. The

inspection process continues on a five year cycle basis with each inspection type completed once

every ten years.

Steel structures are inspected on the same five year cycle as the wood poles. These

structures are checked to ensure that the ground wire(s) are still attached, that nothing is loose (by

doing a visual), and that any corrosion is cleaned and that the structure surface is painted with

corrosion-inhibiting paint. Concrete foundations are inspected for any abnormalities. The rust

preventive protective coating to steel poles above and below the ground line applied at the factory

is checked for damage and any defects are repaired with new coating material.

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Furthermore, aerial inspections are performed annually along with ground inspections.

Aerial inspection results are documented in writing. Potential problems are investigated through a

follow-up ground inspection to determine if corrective actions are needed. Documented problems

are repaired on the basis of a follow-up maintenance request.

Inspection results are used to evaluate pole conditions, and plan future inspection and

maintenance action. The inspection process will result in identifying the condition of each

individual pole. A copy of "Big Rivers Electric Corporation Pole Inspection and Treatment

Procedure" is attached to this response as Exhibit 11-B.

A pole is considered "serviceable" under any of the following conditions: 1.) Large portion

of completely sound wood exists. 2.) Early stages of decay which have not reduced the pole

strength below National Electric Safety Code (NESC) requirements. 3.) Pole condition is as stated

in (1) or (2) but a defect in equipment may exist, such as a broken ground or lose guy wire.

Equipment defects should be repaired.

Any pole that does not meet the above conditions should be classified as a "reject." Any

of the following conditions are characteristics of rejects: 1.) Decay, insect or mechanical damage

has reduced pole strength at the ground-line below NESC requirements. 2.) Severe woodpecker

hole damage has weekend the pole such that it is considered below NESC requirements. 3.)

Hazardous conditions exist above ground, such as a split top.

Witness: Christopher S. Bradley, Big Rivers' Vice President of System Operations

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 12: State whether new attachers will be subsidizing other utility

customers by paying the full cost to replace a utility pole that is not a red-tagged pole when the

replacement pole has a longer useful life than the pole that is replaced, and explain each basis for

the response.

RESPONSE: Consideration of impact must look beyond mere accounting. As the

Commission would expect, the Cooperative operates on an annual budget to ensure costs are

incurred and managed in a prudent way. When new attachers seek to attach to Cooperative poles,

this is a request that occurs outside of the annual budgeting process. If a pole is replaced due to

the new attacher's request, this replacement is an unforeseen, unbudgeted action taken to allow the

attacher to comply with NESC clearance requirements. It is not related to the useful life of the

pole. If a pole is red-tagged, the Cooperative does not and would not request the new attacher to

pay any portion of the cost to replace the pole, as this replacement is a budgeted maintenance cost

based on the Cooperative's inspection of the pole.

If a utility were required to pay even a portion of the costs of new poles it neither intended

nor budgeted to acquire, it would negatively impact the Cooperative and other areas of the utility's

budget, likely deferring investments intended for the benefit of the Cooperative's members. Put

plainly, the Cooperative should not be forced to expend funds on its infrastructure that it would

not spend but for the attacher(s), as doing so is counter not only to the letter and spirit of the pole

attachment framework but also the basic autonomy of an electric utility owned by the members it

serves.

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Christopher S. Bradley, Big Rivers' Vice President of System Operations

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 13: Explain how it would affect capital planning and the ability to

complete other necessary projects if utilities were required to cover the cost of every pole that had

to be replaced to accommodate a new attacher less the undepreciated value of the pole being

replaced.

RESPONSE: If utilities were required to cover the cost of every pole that had to be

replaced to accommodate a new attacher, less the undepreciated value of the pole being replaced,

it would make capital planning virtually impossible. Utilities have no knowledge of the plans of

attachers until they submit a permit request, if they submit a permit request at all. Utilities

undertake detailed system analysis to plan their capital budgets. According to the Commission's

Pole Attachment Regulation (807 KAR 5:015), the response time from permit request to make-

ready estimate is seventy (70) days. There is no way to plan a capital budget based on the available

information and timelines to accommodate a new attacher.

Please also see the response to Request No. 12.

Witness:

Christopher S. Bradley, Big Rivers' Vice President of System Operations

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO 14: Describe in detail the issues with pole loading that arise from

overlashing, including how wind and ice affect pole loading, and explain the technical bases for

such contentions.

RESPONSE: Transmission structures are designed on a case by case basis to support the

actual loads associated with the wires planned to be attached to the structure. Each wire imparts

load to the structure in the form of longitudinal tension (force require to hold the wire in the air),

transverse tension (force due to wind blowing across the wire), and vertical load (forces due to the

weight of the wire and the weight of any ice that has formed on the wire). Additionally, each down

guy used to balance the longitudinal and transverse tensions will impart additional vertical load on

the structure. Due to these factors, the attachment of additional wire to an existing structure can

result in excessive deflection and overstressing of the pole.

Communication wires and transmission electrical supply wires have different sag

characteristics across the range of weather and loading conditions that effect transmission lines.

These differences are caused by variations in wire composition, installation tensions, and electrical

load. Therefore, the attachment of additional wire to an existing structure can result in unforeseen

clearance issues between the communication wire and electrical supply wires. Because of the cost

to design and build transmission structures and the potential for impact on the bulk electric system,

it would be unwise to attach or overlash without detailed engineering analysis.

Witness:

Christopher S. Bradley, Big Rivers' Vice President of System Operations

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 15: Explain how the amount of the administrative review fee for

completeness was determined, and provide any documentation or analysis supporting the amount

of that fee.

RESPONSE: There is no administrative review fee for completeness in Big Rivers'

Proposed Tariff.

Witness:

Christopher S. Bradley, Big Rivers' Vice President of System Operations

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 16: Explain how the estimated pole survey costs in your proposed tariff were determined, and provide any documentation or analysis supporting the estimate.

RESPONSE: No such costs are included in the Big Rivers' Proposed Tariff.

Witness: Christopher S. Bradley, Big Rivers' Vice President of System Operations

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 17: Provide justification for the unauthorized attachment fee of five times

the current annual fee.

RESPONSE: Attachers must be incentivized to follow the pole attachment permitting

process required by the Commission's regulation and detailed in the tariff. The unauthorized

attachment fee is intended to create an incentive for the attacher to follow the permitting process.

A fee of five times the current annual fee is designed to work in concert with the pole attachment

inspection provisions of the proposed tariff, which give the parties the right to conduct a field

inspection of attachments once every five years. Under this design, an attacher that does not submit

a permit request is required to pay the equivalent of annual rent for the past five years; of course,

an unauthorized attachment may have been in place for more or less than five (5) years, but the

Cooperative established a reasonable fee of 5x consistent with its justified desire to recover unpaid

costs and disincentive unpermitted, dangerous attachment activity.

Witness:

Christopher S. Bradley, Big Rivers' Vice President of System Operations

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 18: Regarding payments not made on time:

a. Explain the reasoning and justification for charging interest at 1.5 percent per

month instead of establishing a late payment charge.

b. Explain whether the interest charged on any balance that remains unpaid would be

simple or compound interest.

c. Explain why 807 KAR 5:006, Section 9(3)(h), which states that a late payment

charge may be assessed only once on a bill for rendered services, would not apply to the

interest charge.

RESPONSE:

a. The interest proposed to be charged a late-paying Licensee is functionally

equivalent to a late payment charge; it simply varies in amount based on when the Licensee

satisfies its debt to the Cooperative. The escalating amount of the charge is, of course,

intended to incentivize payment and thereby help avoid stagnant receivables which can

financially impact the Cooperative, especially in times of economic turbulence. Because

payments due from attachers can vary from very small to very large, the Cooperative

believes a percentage-based late payment charge would be more broadly applicable to

create appropriate on-time payment incentives for all types of payments from attachers.

b. Simple.

c. As discussed above, the Cooperative proposes a late payment charge calculated

based on a 1.5% simple interest rate. The charge is assessed only once (when payment is

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made), and in light of the simple nature of the interest, "[a]dditional late payment charges

[are not] assessed on unpaid late payment charges[,]" as required by the pertinent

regulation. See 807 KAR 5:006, Section 9(3)(h)(3). Moreover, it should be acknowledged

that the cited regulation was designed and is most appropriately applied in connection with

residential electric service, not ancillary services sought by sophisticated commercial

counterparties.

Witness:

Christopher S. Bradley, Big Rivers' Vice President of System Operations

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 19:

a. Explain what the performance bond required by Article XXI and Appendix D of

the proposed tariff is intended to secure.

b. Explain whether there is a market for such performance bonds, including

specifically whether there is a market for performance bonds that secure "the payment by

the Licensee of any damages, claims, liens, taxes, liquidated damages, penalties, or fees

due to Cooperative."

c. Explain why it would not be duplicative to require an attacher to maintain

performance bonds that secure "the payment by the Licensee of any damages, claims, liens,

taxes, liquidated damages, penalties, or fees due to Cooperative" while also maintaining

the required insurance coverages and listing the utility as an additional insured on the

policies.

d. Explain how the amount of the performance bond was determined.

RESPONSE:

a. The performance bond required by Article XXI (Section 19 – in Big Rivers'

Proposed Tariff) and Appendix D is intended to cover, in part, the payment by the Licensee

of any damages claims, lies, taxes, liquidated damages, penalties, or fee due to the

Cooperative as stated in Big Rivers Proposed Tariff. The amount of the performance bond

is based on an estimate of cooperative's costs to safely remove the attacher's facilities from

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the cooperatives poles in the event that attacher ceases to operate or otherwise fails or

refuses to address its obligations under the Proposed Tariff.

b. Upon information and belief, the required bonds are available in the marketplace,

and will generally secure all amounts owed as a consequence of a failure to perform by a

principal.

c. If an attacher is no longer a going concern, remedy through an insurance claim is

not typically feasible. Moreover, insurance claims typically take far longer to resolve, and

they are often more prone to dispute than payment of a performance bond. As a result, the

performance bond provides a more efficient solution.

d. The amount of the performance bond was determined by estimating the average

cost per attachment to remove stranded attachments left on the cooperative's poles.

Witness:

Christopher S. Bradley, Big Rivers' Vice President of System Operations

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 20: For Shelby Energy only, refer to the proposed tariff, PSC KY No. 9, Original Sheet No. 302.33, Appendix A – Application/Request to Attach, and Original Sheet No. 302.36, Appendix C – Bill of Sale. Explain why the Application/Request to Attach and the Bill of Sale have not been included in the proposed tariff and is instead only available upon request.

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BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 21: For Big Rivers only, refer to the proposed tariff, P.S.C. KY No. 27,

Original Sheet No. 38.12, Make-Ready. Explain whether Big Rivers requires pole attachment

customers to prepay survey costs. If so, explain why the proposed tariff does not include a per pole

estimate of survey costs.

RESPONSE: Big Rivers does not require pole attachment customers to prepay survey

costs.

Witness:

Christopher S. Bradley Big Rivers' Vice President of System Operations

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 22: For Nolin RECC only, refer to the proposed tariff, PSC KY No. 2, Original Sheet No. 36, Appendix A – Application/Request to Attach, and Original Sheet No. 40, Appendix C – Bill of Sale. Explain why the Application/Request to Attach and the Bill of Sale have not been included in the proposed tariff and is instead only available upon request.

RESPONSE: Not applicable.

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 23: For East Kentucky Power Cooperative (EKPC) only:

- a. Refer to the March 18, 2022 cover letter to EKPC's proposed tariff filing. Explain
- why Commission approval of the proposed tariff is required prior to developing an

application for attachment owners to submit and a contract for any approved attachments.

b. Refer to EKPC's proposed tariff, P.S.C. No. 35, Original Sheet No. 102. Explain

why a per pole estimate of survey costs is not included in the proposed tariff seeing as

requesting attachment owners are required to prepay estimated modification costs.

c. Refer to EKPC's proposed tariff, P.S.C. No. 35, Original Sheet No. 102. Explain

why the attachment charges and terms and conditions of service are not included in the

proposed tariff and why they will be determined on a case-by-case basis.

RESPONSE: Not applicable.

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:		
ELECTRONIC INVESTIGATION OF T PROPOSED POLE ATTACHMENT TA RURAL ELECTRIC COPERATIVE CORPORATIONS	RIFFS OF)	Case No. 022-000106
VERIFICAT	ION	
I, Christopher S. Bradley, verify, state responses filed with this verification for which I am best of my knowledge, information, and belief forme	listed as witness is true a	and accurate to the ry.
COMMONWEALTH OF KENTUCKY) COUNTY OF HENDERSON)		
SUBSCRIBED AND SWORN TO before the 5th day of May, 2022.	me by Christopher S.	Bradley on this
T.	Notary Public, Ky. Star Notary Public, Ky. Star Notary ID: Kyluff	te at Large es Ochbuz 31, 2024

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:		
ELECTRONIC INVESTIGATION OF 'PROPOSED POLE ATTACHMENT TO RURAL ELECTRIC COPERATIVE CORPORATIONS	,	Case No. 2022-000106
VERIFICA	ATION	
I, Paul G. Smith, verify, state, and affirm with this verification for which I am listed as wi knowledge, information, and belief formed after a result.	tness is true and acc	
COMMONWEALTH OF KENTUCKY) COUNTY OF HENDERSON)		
SUBSCRIBED AND SWORN TO before the day of May, 2022.	re me by Paul G. S	mith on this
	Notary Public, Ky My Commission E Notary ID:	expires October 31. 2024