### COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

### ELECTRONIC INVESTIGATION OF THE PROPOSED POLE ATTACHMENT TARIFFS OF RURAL LOCAL EXCHANGE CARRIERS

) ) CASE NO. 2022-00107 )

### RURAL LOCAL EXCHANGE CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

North Central Telephone Cooperative, Inc. ("NCTC" or the "Company") by counsel, files its responses to the Commission Staff's First Requests for Information, issued in the abovecaptioned case on April 21, 2022.

FILED: May 5, 2022

### RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

REQUEST NO. 1: Refer to Duo County's proposed tariff, PSC KY No. 2A, Original Page

18- 15, 3. Payments, b. Payment of Make Ready Estimates. Explain what "<subsection (2)(b)(4) of this section>" refers to.

**<u>RESPONSE</u>**: The reference "<subsection 2(b)(4) of this section>" is a clerical error; the correct reference is to section 18.16(2)(d) of Duo County's proposed tariff. The RLECs jointly propose amending this section to specifically refer to "section 18.16(2)(d)" to avoid any confusion, and NCTC will adopt Duo County's proposed tariff with such revision.

### RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

**REQUEST NO. 2**: Refer to Duo County's proposed tariff, PSC KY No. 2A, Original Page 18-18 indicating that "[t]he make-ready cost, if any, for a pole that is not a red tagged pole to be replaced with a new Pole to accommodate the new Attacher's attachment shall be charged the Company's cost in accordance with the Company's tariff or a special contract regarding pole attachments between the Company and the new Attacher."

a. Identify where the treatment of such make-ready costs is addressed in the tariff.

b. Explain in detail who is responsible for such make-ready costs pursuant to the terms and conditions of the tariff.

**<u>RESPONSE</u>**: (a) The treatment of make-ready costs is addressed throughout Sections 18.16, 18.17, and 18.18 of the tariff. Consistent with the procedures required by 807 KAR 5:015, NCTC will provide invoices for estimated survey costs and estimated makeready costs. Subsequently, as is required by 807 KAR 5:015 § 4(6), if the final costs are different than the estimated costs, NCTC will send a Final Invoice that includes a true-up to "the actual survey costs incurred" and the "actual make ready costs." 807 KAR 5:015 § 4(6)(a)(1)-(2). Consistent with 807 KAR 5:015 § 4(6) and the Commission's Statement of Consideration implementing 807 KAR 5:015, the tariff specifically provides that a new Attacher "shall be charged the Company's cost."

# RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

(b) Consistent with 807 KAR 5:015 § 4(6), the Commission's Statement of Consideration implementing 807 KAR 5:015, the language of the tariff, and the Commission's historical precedent, an Attacher is responsible for the make-ready costs as it is the entity causing the cost. The Attacher will be "charged the Company's cost."

### RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

**REQUEST NO. 3:** Refer to Duo County's proposed tariff, PSC KY No. 2A, Original Page 18-28.

a. Provide support for the per pole survey fee for your system.

b. Explain whether the per pole survey fee is intended to be an estimate of the survey costs that will be trued up in a final bill.

c. Identify the tariff language that indicates when the per pole survey fee must be paid.

**<u>RESPONSE</u>**: (a) A spreadsheet documenting a computation of NCTC's per pole survey fee for NCTC's system is attached to this response.

(b) Yes. Pursuant to 807 KAR 5:015 § 4(2)(b)(6)(b), "If a utility's tariff requires prepayment of survey costs, the utility shall include a per pole estimate of costs in the utility's tariff and the payment of estimated costs shall satisfy any requirement that survey costs be prepaid." Pursuant to 807 KAR 5:015 § 4(6), a utility is required to send a "detailed, itemized final invoice of the actual survey charges incurred if the survey costs for an application differ from an estimate previously paid for the survey work."

(c) Section 18.16(1)(a) of the tariff requires that the per pole Survey Charge be paid by the Attacher when submitting an Application requesting new attachments. ("All requests for Pole Attachments must be made in writing by the new Attacher and include payment of the per pole Survey Charge ....").

# NORTH CENTRAL TELEPHONE COOPERATIVE, INC. KY PSC DATA REQUEST - ITEM 3

	Labor rate	hours	total
Travel	\$ 62.00	2.5	\$155.00
Mapping / EST	\$ 62.00	1	\$ 62.00
Per Pole	\$ 62.00	0.5	\$ 31.00
FEMA vehicle rate	\$ 20.00	2.5	\$ 50.00
Total per pole			\$298.00

# RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

**<u>REQUEST NO. 4</u>**: Refer to Duo County's proposed tariff, PSC KY No. 2A, Original Page

18-28. Also refer to South Central Telephone's current tariff, PSC KY Tariff No. 4, Section 17,

Original Sheet No. 16, 17.17 Rental Rate. Explain why the \$2.43 per linear foot of cable duct

charge currently in South Central Telephone's tariff is not included in Duo County's proposed tariff.

**<u>RESPONSE</u>**: NCTC does not have knowledge or information sufficient to form a response to Request No. 4 as it appears to be directed exclusively to South Central Telephone. NCTC does not have cable duct for use.

# RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

**REQUEST NO. 5:** Refer to Duo County's proposed tariff, PSC KY No. 2A, Original Page

18-28. Explain why the rates for West Kentucky Rural Telephone Cooperative Corporation, Inc.

will only be developed upon request.

**<u>RESPONSE</u>**: NCTC does not have knowledge or information sufficient to form a

response to Request No. 5 as it appears to be directed exclusively to West Kentucky Rural

**Telephone Cooperative Corporation, Inc.** 

### RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS 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 a spreadsheet showing the plant in service balance of each such account at the end of each of the last three fiscal years.

**<u>RESPONSE</u>**: (a) The costs of utility poles in service are recorded in Account 2411.

(b) The costs recorded in each account include the original cost of poles, anchors,

cross arms, guys, and other material, the cost of clearing pole line routes, make-ready costs, engineering, and labor used in the construction of the pole lines. The majority of poles in NCTC's system in Kentucky range from 30 to 40 feet.

(c) Please see the spreadsheet showing the plant in service balance of each such account at the end of each of the last three fiscal years attached to this response.

# NORTH CENTRAL TELEPHONE COOPERATIVE, INC. KY PSC DATA REQUEST - PLANT IN SERVICE Staff Inquiry 6(c)

21-Dec	\$1,726,933.38
20-Dec	\$2,098,551.77
19-Dec	\$2,065,549.37

### RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS 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 a spreadsheet showing the balance of each such account at the end of each of the last three fiscal years.

**<u>RESPONSE</u>**: (a) Accumulated depreciation for poles in service is recorded in Account 3411. Depreciation is recorded over NCTC's entire system and is not separated between Tennessee plant and Kentucky plant.

(b) The monthly accumulated depreciation is calculated using the group method of straight-line depreciation. NCTC's accounting system uses the month-end balance of the asset account and applies the monthly depreciation rate.

(c) The corresponding plant account is Account 2411.

(d) Please see the spreadsheet showing the balance of each such account at the end of each of the last three fiscal years attached to this response.

# NORTH CENTRAL TELEPHONE COOPERATIVE, INC. KY PSC DATA REQUEST - POLE DEPRECIATION EXPENSE Staff Inquiry 7(d)

		Balance	Balance	Balance
Account #	Account Name	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2022</u>
3411.000.0	Accumulated Depreciation	3,402,635.69	3,621,133.66	3,552,114.28

### RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS 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.

**<u>RESPONSE</u>**: (a) NCTC has adopted the Commission's average depreciation rates. The post-1988 depreciation rate for Poles (Account 2411) is 5.6%. Please see the Commission's average depreciation schedule last provided for use by telecommunications utilities attached to this response.

(b) NCTC is a telecommunications utility that has adopted the Commission's average depreciation rates.

(c) In accordance with the Commission's average depreciation schedule, the useful life of the poles used to calculate the depreciation rate is 26.0 years.



COMMONWEALTH OF KENTUGKY PUBLIC SERVICE COMMISSION 730 SCHENKEL LANE' POST OFFICE BOX 615 FRANKFORT, KY, 40602 (502) 564-3940

October 2, 1997

TO: All Incumbent Local Exchange Telephone Utilities ("LEC") under the jurisdiction of the Public Service Commission of Kentucky who are eligible to consider the Commission's 1997 Average Depreciation Schedule.

RE: 1997 Average Depreciation Schedule

### Gentlemen:

As you are aware, 807 KAR 5:064, Section 8, of the Commission's Regulations specifies that the Commission issue a proposed Average Depreciation Schedule for consideration by all LEC's who do not normally perform their own depreciation studies. Our records indicate that your utility is eligible to accept the 1997 Average Schedule which has been accepted by the Commission and is attached for your consideration.

This schedule is based upon utilizing the Straight-Line Method, Broad Group Procedure, and the Whole Life Technique to arrive at Average Service Life and Average Net Salvage Parameters. If your utility chooses to accept this schedule, the effective booking date will be January 1, 1998. If you choose to reject this schedule you have the option of either retaining your existing depreciation rates and waiting for the next average schedule to be issued, or conducting your own depreciation study according to the guidelines set out in the subject regulation.

For those LEC's choosing to accept this schedule, the depreciation rates for each account/subaccount will remain in effect for at least three years (e.g., you will only be allowed to accept a schedule one time in any three-year period). Moreover, no depreciation rate for any of your accounts/subaccounts may be higher than those specified in the schedule. You may, however, choose to use depreciation rates for individual accounts/subaccounts which are lower than those shown on the schedule. You are also required to separate your accounts/subaccounts to correspond to those indicated on the schedule.

Please notify this office, in writing, of your decision to either accept or reject the proposed schedule by November 14, 1997. Further, if you accept this schedule, you must provide a summary statement showing each of your plant accounts/subaccounts, the gross investment and reserve for each, and the resulting annual expense accrual for

each category. Investments and reserve amounts should be based upon your most currently available information.

Should you have any questions relative to this matter, please contact Wayne Bates of our Engineering Division at (502) 564-3940, Ext. 416.

Sincerely.

Don Mills Executive Director

### Attachments

ALLTEL Kentucky, Inc. CC: Ballard Rural Telephone Cooperative Corporation, Inc. Brandenburg Telephone Company, Inc. Duo County Telephone Cooperative Corporation, Inc. Foothills Rural Telephone Cooperative Corporation, Inc. Harold Telephone Company, Inc. Highland Telephone Cooperative, Inc. Leslie County Telephone Company, Inc. Lewisport Telephone Company, Inc. Logan Telephone Cooperative, Inc. Mountain Rural Telephone Corporation North Central Telephone Cooperative, Inc. Peoples Rural Telephone Cooperative Corporation, Inc. Salem Telephone Company South Central Rural Telephone Cooperative Corporation, Inc. Thacker-Grigsby Telephone Company, Inc. West Kentucky Rural Telephone Cooperative Corporation, Inc.

22.0	⊲ -10.0	5.0	Crossbar .	2215.2
15.7	-10.0	7.0	Step By Step	2215.1
			Electromechanical Switching	2215.0
7.5	3.0	13.0	Digital Electronic Switching	2212.0
11.7	5.0	8.1	Analog Electronic Switching	2211.0
15.8	7.0	5.9	General Purpose Computers	2124.0
15.0	10.0	6.0	Official Communications Equipment	2123.2
7.5	10.0	12.0	Office Support Equipment	2123.1
			Office Equipment	2123.0
8.7	6.0	10.8	Furniture	2122.0
2.7	-1.0	38.0	Buildings	2121.0
7.5	3.0	13.0	Special Vehicles and Other Work Equipment	2116.0
10.1	15.0	8.4	Motor Vehicles - Heavy	2112.2
12.1	15.0	7.0	Motor Vehicles - Light	2112.1
			Motor Vehicles	2112.0
	2	-	in.	
Depreciation Rate (%)	Average Net Salvage (%)	Average Service Life (Years)	Plant Category	Account Number

**1997 AVERAGE DEPRECIATION SCHEDULE** 

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				•
			Buried Cable	2423.0
5.0	-10.0	22.0	Fiber	2422.2
5.0	-25.0	25.0	Metallic	2422.1
			Underground Cable	2422.0
5.1	-13.0	22.0	Fiber	2421.2
6.6	-13.0	17.0	Metallic	2421.1
			Aerial Cable	2421.0
5.6	-45.0	26.0	Pales	2411.0
15.8	5.0	6.0	Other Terminal Equipment	2362.0
0.0	0.0	0.0	Public Telephone	2351.0
17.2	-3.0	6.0	Large PBX	2341.0
15.0	4.0	6.4	Station Apparatus	2311.0
11.9	5.0	0.8	Digital	2232.2
10.0	0.0	10.0	Analog	2232.1
			Circuit Equipment	2232.0
9.1	0.0	11.0	Radio Systems	2231.0
9.8	. 4.0	9.8	Operator Systems	2220.0
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1997 AVERAGE DEPRECIATION SCHEDULE

Account Number Plant Category . Average Service Life (Years) Average Net Salvage (%) Depreciation Rate (%)

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# **1997 AVERAGE DEPRECIATION SCHEDULE**

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(%)	Salvage (%)	(Years)		
Depreciation Rate	Average Net	Average Service Life	Plant Category	Account Number

2441.0	2431.0	2426.2	2426.1	2426.0	2424.0	2423.2	2423.1	
Conduit Systems	Aerial Wire	Fiber.	Metallic	Intra-Building Network Cable	Submarine Cable	Fiber	Metallic	
50.0	14.0	20.0	20.0		27.0	20.0	20.0	
-8.0	-31.0	-1.0	-1.0		-1.0	-2.0	-10.0	
2.2	9.4	5.1	5.1		3.7	5.1	5.5	

Rates accepted by the Public Service Commission of Kentucky for use on and after January 1, 1998.

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### RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS 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.

**<u>RESPONSE</u>**: NCTC does not have "distribution poles" or "transmission poles," which are terms specific to the electric industry. The total number of poles currently in service in NCTC's system located in Kentucky is 1,678.

RUS does not require that Gearheart maintain records regarding date of installation of poles, and poles are depreciated on a group asset basis. However, the majority of remaining poles in NCTC's system were installed from approximately 1990 to 2010.

# RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

**<u>REQUEST NO. 10</u>**: Identify the total number of transmission poles in your system, and

provide a breakdown of those poles based on the year they were installed.

**<u>RESPONSE</u>**: Please see NCTC's Response to Commission Staff's Request for

Information No. 9.

# RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

**<u>REQUEST NO. 11</u>**: 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.

# **<u>RESPONSE</u>**: Please see NCTC's applicable safety and inspection policies for utility

### poles provided with this response.

### Purpose



The purpose of this procedure is to provide North Central Telephone Cooperative (NCTC) employees with important information regarding safe work practices while being around, near or working off of poles.

### Scope

This document applies to NCTC employees and operations where employees whose work activities may involve working with or around poles. It discusses the testing and tagging procedures.

### **Testing Wood Poles**

Unless temporary guys or braces are attached, the following poles shall be tested in accordance with paragraph (n) (3) of 1910.268 and determined to be safe before employees are permitted to climb them.

- Dead-end poles, except properly braced or guyed "Y" or "T" cable junction poles,
- Straight line poles which are not storm guyed and where adjacent span lengths exceed 165 feet,
- Poles at which there is a downward change in grade and which are not guyed or braced corner poles or cable junction poles,
- Poles which support only Telecom drop wire
- Poles which carry less than ten communication line wires. On joint use poles, one power line wire shall be considered as two communication wires for purposes of 1910.268 paragraph (n)(2)(v).

### Methods for Testing Wood Poles

One of the following methods or an equivalent method shall be used for testing wood poles:

- Rap the pole sharply with a hammer weighing about 3 pounds, starting near the ground line and continuing upwards circumferentially around the pole to a height of approximately 6 feet. The hammer will produce a clear sound and rebound sharply when striking sound wood. Decay pockets will be indicated by a dull sound and/or a less pronounced hammer rebound. When decay pockets are indicated, the pole shall be considered unsafe. Also, prod the pole as near the ground line as possible using a pole prod or a screwdriver with a blade at least 5 inches long. If substantial decay is encountered, the pole shall be considered unsafe.
- Apply a horizontal force to the pole and attempt to rock it back and forth in a direction
  perpendicular to the line. Caution shall be exercised to avoid causing power wires to swing
  together. The force may be applied either by pushing with a pike pole or pulling with a rope. If
  the pole cracks during the test, it shall be considered unsafe.

### **Encountering Unsafe Poles or Structures**

• Poles or structures determined to be unsafe by test or observation may not be climbed until made safe by guying, bracing or other adequate means. Poles determined to be unsafe to climb shall, until they are made safe, be tagged in a conspicuous place to alert and warn all employees of the unsafe condition. These poles should then be reported to the construction supervisor.

Lafayette 872 Highway 52 Bypass East Lafayette, TN 37083 615.666.2151 Westmoreland

5620 Austin Peay Hwy Westmoreland, TN 37186 615.644.6282

### www.nctc.com

#### Scottsville

1630 Bowling Green Rd. Scottsville, KY 42164 270.622.7500

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### RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

### **REQUEST NO. 12**:

a. Explain how filing a tariff that simply incorporates another utility's tariff by reference complies with 807 KAR 5:015, Section 3; KRS 278.160; and KRS 278.180.

b. If Duo County amended its tariff, would that constitute an amendment of the tariffs of every utility that incorporated it by reference, or would each utility have to file a subsequent amendment?

<u>RESPONSE</u>: (a) Pursuant to longstanding Commission practice, NCTC has adopted the Duo County Tariff since at least 1999, and such adoption has been consistently approved by the Commission. This longstanding practice is also consistent with practice at the federal level, where NCTC (along with the other RLECs who have adopted the Duo Tariff) has adopted the NECA, JSI, and/or Moss Adams Tariffs.

(b) Consistent with historical practice of NCTC's adoption of the Duo County Access tariff, it is anticipated that amendments applicable to all RLECs would constitute an amendment of the tariffs of every utility that incorporated it by reference, and any utilityspecific rate sheets or information, including exceptions to such information, would be reflected in the amended filing for the specific utility.

### RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

**<u>REQUEST NO. 13</u>**: For Ballard Rural Telephone Cooperative Corporation, Inc. only:

Describe the timetable for decommissioning and removing your current poles.

# **<u>RESPONSE</u>**: Commission Staff's Request No. 13 is not directed to NCTC and no

response is requested.

Witness) Troy Davis

24939879

# RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

# **VERIFICATION**

I, <u>Koy</u>, verify, state, and affirm that the information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Name: Title:

STATE OF TENNESSEE

COUNTY OF MACON

SUBSCRIBED AND SWORN TO before me on this the 3rd day of May, 2022.

) ) ss:

My commission expires: 5/13/2024

