COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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ELECTRONIC INVESTIGATION OF THE)
PROPOSED POLE ATTACHMENT TARIFFS OF) CASE NO. 2022-00107
RURAL LOCAL EXCHANGE CARRIERS)

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

Peoples Rural Telephone Cooperative Corporation, Inc. ("Peoples" or the "Company") by counsel, files its responses to the Commission Staff's First Requests for Information, issued in the above-captioned 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 Peoples 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.

RESPONSE: (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, Peoples 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, Peoples 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.

RESPONSE: (a) Peoples' \$119 per pole survey rate estimate is based upon the per pole survey rate negotiated with the Commonwealth of Kentucky, which was established based upon the market survey rates charged to Peoples for attaching to poles of other pole owners. This rate strikes a reasonable balance as it seeks to ensure security of payment by an attacher, providing some level of security to Peoples, while simultaneously requiring a true-up mechanism in compliance with the Commission's regulations, which ensures that an attacher is only responsible for the actual costs of the survey.

- (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

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

requests for Pole Attachments must be made in writing by the new Attacher and include payment of the per pole Survey Charge . . . ").

RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION

STAFF'S FIRST REQUESTS FOR INFORMATION

REQUEST NO. 4: 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.

RESPONSE: Peoples 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.

Peoples does not have cable duct for use.

Witness)

Keith Gabbard

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>: Peoples 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.

CASE NO. 2022-00107

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.

RESPONSE: (a) The costs of utility poles in serve are recorded in Account 2411.

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

arms, guys, anchors, and all other materials used in the construction of pole lines, the cost of

clearing pole line routes, tree trimming, permits, rights of way for construction, and labor

and benefits associated with construction. Please see the chart showing the type and vintage

of poles in Peoples' system provided with this response.

(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.

Peoples Rural Telephone Coop Continuing Property Record Friday, December 31, 2021

ACCOUNT 2411					VINTAGE					TOTAL
POLES	Unknown	1950s	1960s	1970s	1980s	1990s	2000s	2010s	2020s	UNITS
20	5	1	4	12		1				23
25	44	3	41	65	132	39	8	19		351
30	471	7	37	104	668	1,096	235	443	7	3,068
35	299	13	48	98	200	700	195	360	2	1,915
40	215	3	23	52	113	356	179	225	5	1,171
45	149	2	9	17	46	250	142	188	10	813
50	81		3	4	26	118	58	91		381
55	40		1	1	10	37	46	13		148
60	10				2		1	6		19
65-70	1					1				2
Total Poles	1,315	29	166	353	1,197	2,598	864	1,345	24	7,891

Down Guys (E-1)	15,193
Overhead Guys (F-2)	1,340
Anchors-Patent (F-1)	13,934
Anchors - Rock (F-5)	2,850

Peoples Rural Telephone Cooperative Staff Inquiry Question 6c Account 2411 - Poles

12/31/2019 \$6,686,359.66 12/31/2020 \$6,740,956.76 12/31/2021 \$6,732,811.50

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.

RESPONSE: a) Accumulated depreciation for poles in service is recorded in Account 3100.2411.

- (b) The accumulated depreciation in each account is calculated using the straight line method.
 - (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.

Peoples Rural Telephone Cooperative Staff Inquiry Question 7d Account 3100-2411

12/31/2019 \$2,784,739.32 12/31/2020 \$3,159,294.65 12/31/2021 \$3,499,426.78

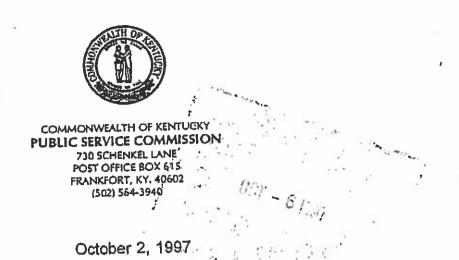
RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION

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.

RESPONSE: (a) Peoples 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) Peoples 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.



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

cc: ALLTEL Kentucky, Inc.

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.

1997 AVERAGE DEPRECIATION SCHEDULE

Account Number	Plant Category	Average Service Life (Years)	Average Net Salvage (%)	Depreciation Rate (%)
			8	4
2112.0	Motor Vehicles			*
2112.1	Motor Vehicles - Light	7.0	15.0	12.1
2112.2	Motor Vehicles - Heavy	8.4	15.0	10.1

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
	(4)			Motor Vehicles	2112.0

1997 AVERAGE DEPRECIATION SCHEDULE

	2		A	7
Account Number	Plant Category	Average service cire (Years)	Salvage (%)	Depreciation Rate (%)
	i en			
				×
2220.0	Operator Systems	9.8	. 4.0	9.8
2231.0	Radio Systems	11.0	0.0	9.1
2232.0	Circuit Equipment			
2232.1	Analog	10.0	0.0	10.0
2232.2	Digital	8.0	5.0	11.9
2311.0	Station Apparatus	6.4	4.0	15.0
2341.0	Large PBX	6.0	-3.0	17.2
2351.0	Public Telephone	0.0	0.0	0.0
2362.0	Other Terminal Equipment	6.0	5.0	15.8
2411.0	Pales	26.0	-45.0	5.6
2421.0	Aerial Cable			
2421.1	Metallic	17.0	-13.0	6.6
2421.2	Fiber	22.0	-13.0	5.1
2422.0	Underground Cable	**		
2422.1	Metallic	25.0	-25.0	5.0
2422.2	Fiber	22.0	-10.0	5.0
2423.0	Buried Cable			

1997 AVERAGE DEPRECIATION SCHEDULE

Account Number	Plant Category	Average Service Life (Years)	Average Net Salvage (%)	Depreciation Rate (%)
	7.X		7	
				्र
2423.1	Metallic	20.0	-10.0	5.5
2423.2	Fiber	20.0	-2.0	5.1
2424.0	Submarine Cable	27.0	-1.0	3.7
2426.0	Intra-Building Network Cable			
2426.1	Metallic	20.0	-1.0	5.1
2426.2	Fiber.	20.0	-1.0	5.1
2431.0	Aerial Wire	14.0	-31.0	9.4
2441.0	Conduit Systems	50.0	-8.0	2.2

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

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.

RESPONSE: Peoples 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 Peoples' system is 7,891.

RUS does not require that Peoples maintain records regarding date of installation of

poles. Peoples replaces poles as needed. For a breakdown of poles based on the year they

were installed, please see the chart provided in Response to Commission Staff Request No.

6(b).

RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS 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: Please see Peoples' Response to Commission Staff's Request for Information No. 9.

RURAL LOCAL EXCHANGES CARRIERS' RESPONSES TO THE COMMISSION STAFF'S FIRST REQUESTS 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: Please see Peoples' Pole Inspection polices provided with this response.



Peoples Rural Telephone Cooperative

Wood Pole Line Inspection and Maintenance Overview

This document outlines Peoples Rural Telephone Cooperatives' ("PRTC") policy regarding its routine inspection and maintenance of wood poles. The purpose of these inspections is to identify poles that are in the early stages of decay or damage so that maintenance measures can be taken to extend the average service life of the poles, and repair or replace damaged poles that cannot be remediated.

PRTC has established a routine and rolling or continuing maintenance program where approximately 25% of all outside plant poles are inspected each year by a Pole Line Inspector. The inspection and treatment of PRTC poles are conducted by an experienced and qualified employee of PRTC's engineering department or a Pole Inspection Contractor.

Methods of Pole Inspection

1) <u>Visual</u> – a visual inspection is conducted on a pole from the top of the pole to ground level. With the visual inspections, the inspector is looking to assess the condition of the wood in the pole, and the pole unit, as a whole. The inspector looks for evidence of decay, damage by animals, birds, insects, split wood, knots, weather damage, split pole tops, broken/slack guy wire, low hanging tree limbs, and other visible damage from the ground such as the depth of the pole setting and soil conditions. Additionally, the inspector confirms that the pole identification and location numbers are still intact.

Pole conditions that are determined to not perform as intended or create an employee or public safety concern should be reported to the PRTC Plant Operations Manager or Engineering Supervisor within seventy-two (72) hours of the visual inspection.

A **Reject Pole** is a pole that has been visually inspected and found to be deteriorated below strength and is not treated further. Examples of a reject pole include:

Poles with split tops or lightening damage
Poles with excessive lean or buckling
Poles with excessive woodpecker and hollow holes
Poles with severe damage

A **Priority Reject Pole** is a pole that is identified as unsafe and in need of immediate attention and must be reported by the Pole Line Inspector within forty-eight (48) hours of discovery.

Peoples Rural Telephone Cooperative Staff Inquiry Question 11 Pole Inspection Plan

Poles deemed as a Priority Reject will be included in the inspection documentation to include the Work Order number that will be used by repair crews to replace or repair the pole.

The pole age, pole history, visual assessment, physical testing, and professional judgment factor into the inspection.

2) Striking Pole with Hammer (Sound and Bore) – The inspector hits the pole sharply with a hammer weighting about three (3) pounds, beginning near the ground level and continuing up the pole to a height of approximately six (6) feet or as high as the inspector can reach. The hammer should produce a clear sound and rebound sharply when striking the wood. Areas of decay may be indicated by a dull sound and or a less pronounced hammer rebound. Additionally, the inspector will use a pole prod or five or six inches long screwdriver to check near the ground level.

Integrity of Wood Poles

PRTC employees are instructed to report any poles or facilities they believe to have damage or early decay to the attention of their supervisor via the PRTC Pole Line Inspection form. The form includes space for the date of observation, employee name, exchange, route, pole identification number, and description of observed damage.

PRTC employees are instructed to determine the general condition of a pole before climbing the pole. If a pole or structure is determined to be unsafe, the pole should not be climbed until it is secured and made safe by guying or bracing the pole. If a pole is deemed unsafe, the pole must be tagged on the pole where the tag can be seen to alert the public and other employees that the pole is not safe to climb. As with any other poles, facilities, a PRTC Pole Line Inspection form should be filled out and reported to the respective employee's supervisor.

CASE NO. 2022-00107

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?

RESPONSE: (a) Pursuant to longstanding Commission practice, Peoples 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 Peoples (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 Peoples' 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 utility-

specific rate sheets or information, including exceptions to such information, would be

reflected in the amended filing for the specific utility.

Witness)

Keith Gabbard

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

REQUEST NO. 13: 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 Peoples, and no response is requested.

Witness) Keith Gabbard

24997387

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

	RIFICATION
I, Keith Calbard responses filed with this verification for whose to f my knowledge, information, and be	, verify, state, and affirm that the information request nich I am listed as a witness are true and accurate to the elief formed after a reasonable inquiry.
	Name: Sight All Title: CEO
COMMONWEALTH OF KENTUCKY COUNTY OF JACKSON)) ss:)
SUBSCRIBED AND SWORN TO My commission expires: 5/16	before me this the 3^{rd} day of May, 2022.
	1 0