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)

<u>RURAL LOCAL EXCHANGE CARRIERS' RESPONSES TO THE COMMISSION</u> <u>STAFF'S SECOND REQUESTS FOR INFORMATION</u>

Brandenburg Telephone Company, Inc. ("Brandenburg" or the "Company") by counsel,

files its responses to the Commission Staff's Second Requests for Information, issued in the above-

captioned case on May 19, 2022.

FILED: June 2, 2022

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

REQUEST NO. 1: Describe your recent efforts, if any, to reduce the number of above ground lines, and identify the number of poles that have been eliminated in your system in each of the last ten years because the lines previously attached to those poles were placed underground.

<u>RESPONSE</u>: Due to the terrain in Brandenburg's service territory, which is largely comprised of limestone, Brandenburg has not made any efforts to reduce the number of above ground lines in its service territory as it is typically not economical or feasible to do so.

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

REQUEST NO. 2: Other than identifying specific defective poles through inspections that require replacement, state whether you have a policy or practice of replacing poles on a periodic basis or as they reach the end of their useful lives and, if so, describe that policy or practice in detail, including how and when (e.g. how far in advance) such replacements are identified or included in your projected capital spending budget.

<u>RESPONSE</u>: Brandenburg does not have a specific policy that requires replacement of any poles on a periodic basis. Rather, as a matter of responsible spending, Brandenburg replaces poles when it is determined those poles are no longer safe for use. This determination could result from unexpected damage caused by a car collision or adverse weather event, or through periodic inspection of the poles, such as those described in Response to Commission Staff's First Requests for Information No. 11.

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

REQUEST NO. 3: Describe in detail the process you use to budget for future capital expenditures, including when you first develop a preliminary capital spending budget for a particular year (e.g. three years in advance, five years in advance, etc.), how you determine the amounts to include in the preliminary capital budget, the level of specificity included in any preliminary budget, and each step that is taken in the process to get from any preliminary budget to a final capital spending budget for a particular year.

<u>RESPONSE</u>: Brandenburg implements a capital spending budget by first setting and prioritizing operational goals. Each department forecasts its two-year capital requirement for projects under its purview with the goal of achieving Brandenburg's operational objectives. Brandenburg approves each project based on agreement with its importance in meeting the Company's objectives and as funding is available to complete the project. Any disruption in actual capital expenditures, for example, unanticipated capital costs, is addressed in real time and may delay previously approved capital projects.

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

<u>REQUEST NO. 4</u>: Provide any current joint use agreements.

<u>RESPONSE</u>: For Brandenburg's currently available joint use agreements, please see

the CONFIDENTIAL agreements provided herewith.

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

REQUEST NO. 5: For Brandenburg Telephone only: Refer to Brandenburg Telephone's response to Commission Staff's First Request for Information to the Rural Local Exchange Carriers (Staff's First Request), Item 3(a), regarding the per pole survey fee.

a. Explain and provide detailed supporting calculations for how the hourly rate of \$62.31 was derived.

b. Provide support for the assertion that a field survey takes two hours per pole and the office/mapping takes one hour per pole.

c. Explain how the truck depreciation rate of \$0.59 per mile was determined.

d. Provide support for using 65 miles per pole in the truck depreciation calculation.

<u>RESPONSE</u>: (a) The \$62.31 hourly rate was derived by combining the hourly wage of the engineer performing the survey and overhead costs associated with providing an engineer. Normal overhead and employee benefits is typically equivalent to 86% of the hourly wage.

Hourly Wage + Overhead & Employee Benefits = Hourly Rate	
\$33.50 + (86% x \$33.50 = \$28.81) = \$62.31	

(b) Two hours per pole for a field survey includes approximately one hour for travel time to the affected pole, as the average round trip to a pole in Brandenburg's service territory is 65 miles. It takes the engineer approximately one hour in the field to complete the work necessary and gather the information required to complete the survey.

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

One hour of mapping time is the average time it takes for the engineer to input the filed data into the computer system, prepare appropriate GPS coordinates, and calculate a quote for the make-ready work required.

(c) The mileage rate of 0.59 is the current IRS reimbursement rate $(0.585)^1$

rounded to the nearest whole cent.

(d) The average round trip distance to a utility pole in Brandenburg's service territory is 65 miles.

¹ See <u>https://www.irs.gov/tax-professionals/standard-mileage-rates.</u>

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

Requests for Information Not Directed to Brandenburg: Commission Staff's Second

Request for Information Nos. 6-15 are not directed to Brandenburg, and no response is

required.

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

VERIFICATION

I, Allison Willoughby, 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: Allison Willoughby

Title: General Manager

COMMONWEALTH OF KENTUCKY

COUNTY OF MEADE

SUBSCRIBED AND SWORN TO before me by Allison Willoughby on this the $\int_{-\infty}^{\infty}$ day of June , 2022. MY COMMISSION EXPIRES 05/28/2024

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My commission expires:

Kall & Rolerts Notary Public