



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

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.

**RESPONSE:** Due to the hilly and rocky terrain of Gearheart's service territory, Gearheart 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. In the event a road move necessitates replacing aerial cable with underground facilities (or other similar situations arise), Gearheart will move its facilities underground. As a result, any reduction in poles has been negligible.

Witness)      **James Campbell**

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**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.

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

**Gearheart does not specifically budget for periodic replacement of poles.**

Witness)      **James Campbell**

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**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.

**RESPONSE:** Gearheart implements its capital expenditure budget based upon its operational objectives. Each department forecasts its two-year capital requirement for projects under its purview that align with the Company's objectives. Gearheart approves and prioritizes each proposed project based on its importance in meeting the Company's objectives and based upon the availability of funding and resources to complete the project. Projects with lower priority may be delayed or deferred in order to meet overall budget needs. Any disruption in actual capital expenditures or unanticipated capital costs are addressed in real time and may delay, alter, or cancel previously approved projects.

Witness)      James Campbell

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**REQUEST NO. 4:** Provide any current joint use agreements.

**RESPONSE:** Please see the **CONFIDENTIAL** agreements provided herewith.

Witness)      **James Campbell**

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**REQUEST NO. 8:** For Gearheart Communications only: Refer to Gearheart Communications' response to Staff's First Request, Item 3(a), regarding the per pole survey fee.

a. Explain the circumstances under which the per pole survey fee estimate of \$119 was negotiated with the Commonwealth of Kentucky.

b. Explain why Gearheart Communications is relying on market survey rates of other entities and not developing an estimate based on its own unique circumstances.

c. Explain whether Gearheart Communications has any other support for the \$119 per pole survey fee estimate other than it was the rate negotiated with the Commonwealth of Kentucky based upon market survey rates of other entities. If so, provide additional support for the \$119. If not, provide the information Gearheart Communications relied upon to arrive at the \$119 amount.

**RESPONSE:** (a) **The per pole survey fee estimate of \$119 was negotiated with the Commonwealth of Kentucky in conjunction with the construction of the KentuckyWired network. The Commonwealth of Kentucky requested a uniform per pole survey fee across the service territory of all partner companies of East Kentucky Network, and Gearheart accommodated that request.**

(b) **Gearheart has historically had little to no attachment requests upon which to reasonably form an estimated survey fee. This per pole survey fee estimate has proved workable and manageable since execution of the agreement with the Commonwealth. Taking all factors into account, including that the pre-paid per pole survey fee estimate is subject to a mandatory true-up under 807 KAR 5:015, the \$119 per pole survey fee is a fair and just**

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**rate that provides Gearheart with reasonable security before proceeding, while protecting both Gearheart and an attacher due to the regulation's true-up mechanism.**

**(c) The rate negotiated with the Commonwealth of Kentucky was based upon a review of various then-current invoices sent to an affiliated entity for survey fees which were calculated on a per pole basis, and used to develop a uniform rate across the Eastern Kentucky Network partner companies' service territory as requested by the Commonwealth of Kentucky (at a rate slightly lower than the average cost represented by the then-current invoices).**

**Witness) James Campbell**

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

**Request for Information Nos. 5-7 and 9-15 are not directed to Gearheart and no response is required.**



