

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**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 SECOND 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 May 19, 2022.

FILED: June 2, 2022

ELECTRONIC INVESTIGATION OF THE PROPOSED POLE ATTACHMENT TARIFFS OF
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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: Peoples attempts to coordinate underground deployment of facilities for new construction. Due to the terrain of Peoples' service territory, which is comprised of hills and rock, it is frequently not economical for Peoples to replace poles with underground facilities. On a case-by-case basis and where practical, Peoples will move its facilities underground at the premises of the end user. As a result, the number of poles eliminated in Peoples' system is negligible.

Witness) **Keith Gabbard**

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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: Peoples does not have a specific policy that requires replacement of any poles on a periodic basis. Rather, as a matter of responsible spending, Peoples 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 through periodic inspections of the poles, such as those described in Response to Commission Staff's First Requests for Information No. 11.

Peoples does not specifically budget for pole replacement.

Witness) **Keith Gabbard**

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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: Each department head proposes a minimum one-year budget projection for their respective business needs. The management team reviews the requests based on the appropriateness of each requested expenditure, which may result in requests for additional information related to cost and timing of the proposed project. Approved projects are then assigned a priority and reviewed for approval based upon the availability of funding and resources. Projects with a low priority may be delayed or deferred in order to meet overall targets. Once all submitted projects are reviewed, a final capital spending budget is presented to the Board of Directors for its review and approval.

Witness) **Keith Gabbard**

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

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

Witness) **Keith Gabbard**

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REQUEST NO. 13: For Peoples Telephone only: Refer to People's Telephone 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 Peoples Telephone is relying on market survey rates of other entities and not developing an estimate based on its own unique circumstances.

c. Explain whether People's Telephone 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 People's Telephone 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 Peoples accommodated that request.**

(b) **Peoples 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 Peoples with reasonable security before proceeding, while protecting both Peoples 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).

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

Request for Information Nos. 5-12, 14, and 15 are not directed to Peoples, and no response is required.

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VERIFICATION

I, Keith Gabbard, 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: Keith Gabbard

Title: CEO

COMMONWEALTH OF KENTUCKY)
) ss:
COUNTY OF JACKSON)

SUBSCRIBED AND SWORN TO before me by Keith Gabbard on this the 31st day of
May, 2022.

My commission expires: 5/18/2024



Notary Public

Beverly Fee
NOTARY PUBLIC
Commonwealth of Kentucky
Comm. # KYNP7542
My Commission Expires 5/18/2024