

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: More than ten years ago, approximately 98% of LTC's facilities had already been moved underground. In fiber build-outs since 2013, LTC has taken additional opportunities to reduce the number of its above ground lines by removing LTC's attachments from poles owned by other utilities and burying LTC's fiber optic cable. In the last ten years, LTC has retired a very small number of poles in very rural areas where no joint use exists.

Witness) Gregory A. Hale

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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: LTC does not have a specific policy that requires replacement of any poles on a periodic basis. Rather, as a matter of responsible spending, LTC 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.

LTC only owns 67 utility poles, and any pole replacements would be budgeted in a more general category reserved for general maintenance of outside plant, as the amounts would be very small in comparison to LTC's total capital budget.

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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: LTC creates a rolling five-year capital budget and financial forecast on an annual basis. The amounts included are dependent on customer service requirements and projected growth. Each department creates its own five-year capital forecast for use in preparing the budget, which includes outside plant and core network capital expenditures. LTC attempts to include all expected capital spending in the budget for the five-year projects, but, due to technological changes and changes in cost, projects may change or evolve over time. In the third quarter of each year, a very specific capital budget for the following year is developed and later approved by the Board. During that process, costs are refined with most recent quotes and data. Any capital costs related to poles is a minimal part of LTC's budget.

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

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

Witness) **Gregory A. Hale**

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REQUEST NO. 10: For Logan Telephone only: Refer to Logan Telephone's response to Staff's First Request, Item 3(a), regarding the per pole survey fee.

- a. Provide a narrative description of how the per pole rate of \$84.63 was derived.
- b. Explain and provide detailed supporting calculations for how the hourly rate of \$65.10 was derived.
- c. Provide support for the assertion that the field visit/mapping takes eight hours and the per pole takes 0.5 hours.
- d. Explain whether the same employees perform the functions included on Lines 1 and 2.
- e. As the per pole rate on Line 2 is \$32.55, explain why this is not the amount included in the tariff for the per pole estimated survey costs.

RESPONSE: (a) LTC only owns 67 poles in very remote areas and has never received a request for a survey. LTC cannot guess the location or how many poles an attacher would request in a survey. Accordingly, LTC made factual assumptions to develop a per pole survey rate to develop its rate. LTC assumed an attacher would request a survey of 10 poles in one of the remote areas where the 67 poles are located. LTC applied the hourly rate it is charged by an engineer to complete the survey, estimated how long a survey would take for 10 poles, and divided that cost by 10 to arrive at a per pole estimate, as required by 807 KAR 5:015.

(b) The hourly rate of \$65.10 is the Senior Field Representative/Engineering Designer rate charged to LTC by the engineering firm with whom LTC contracts.

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(c) LTC made a reasonable estimate based upon the possible locations of poles that would require surveying, as LTC only has 67 poles, and all poles are not located in one linear portion of LTC's service territory. This means travel time for a survey could be significant. Accordingly, as a result of never having received a survey request from any attacher, LTC made its best efforts to arrive at an estimate based upon the locations of its few remaining poles.

(d) For the purposes of arriving at the per pole survey rate, LTC assumed the same person would perform both tasks.

(e) The \$32.55 rate includes the labor for testing each individual pole for 30 minutes, and does not include any travel time, time between poles, documentation, communications, or mapping. To cover the full costs of the survey on LTC's assumption of ten poles, LTC must include the common costs to visit the field, complete necessary documentation, communication with the attacher, and mapping, which yields a per pole rate of \$84.63.

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Requests for Information Not Directed to LTC: Commission Staff's Second Request
for Information Nos. 5-9 and 11-15 are not directed to LTC, and no response is required.

