

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: NCTC's efforts to reduce the number of above ground lines have been primarily centered around new construction, and NCTC has been largely successfully in burying its facilities for new construction. NCTC is continuously looking to move its facilities underground due to safety and operational concerns (i.e., tornadoes, ice storms, squirrels, etc.). Pole line routes are evaluated based on the amount of rock that would make burying the facilities unfeasible. NCTC does not have a record of the precise number of poles that have been eliminated in Kentucky over the last 10 years, but over NCTC's entire system (including Tennessee), NCTC has removed approximately 60% of its poles in the last 10 years.

Witness) **Troy Davis**

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

NCTC does not specifically budget for periodic replacement of poles, but such activity would be include in the overall 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: On annual basis, NCTC prepares a three-year capital expenditure budget. NCTC reviews the prior two years' actual expenditures and uses those expenses to prepare a budget based upon known and measureable anticipated changes.

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

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

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REQUEST NO. 12: For North Central Telephone only: Refer to North Central Telephone's response to Staff's First Request, Item 3(a), regarding the per pole survey fee.

a. Explain and provide detailed supporting calculations for how the per pole labor rates of \$62 and \$20 were derived.

b. Provide support for the assertion that travel would take 2.5 hours, mapping/EST would take one hour, per pole would take 0.5 hours, and FEMA vehicle rate would take 2.5 hours.

RESPONSE: (a) **The \$62 hourly rate was derived by adding the engineer's hourly wage (\$33.14) and overhead and benefits, which on average cost 87% of hourly wages (\$33.14 + (87% x \$33.14) = \$62/hour).**

The \$20 hour rate is not a labor rate, but is the middle range FEMA vehicle rate for a pick-up truck used in the performance of the inspection.

(b) **The 2.5 hours estimated travel time was based upon total driving distance from NCTC's dispatch center to an average location in Allen County, Kentucky. The 2.5 hour FEMA vehicle rate was applied using the estimated travel time. The estimated 1 hour for mapping/EST includes the time it would take to map the pole location, to confirm that the pole is owned by NCTC, to identify any other third-party attachers who may need to be notified, and to make any additional notes that should be added as affecting the survey. The estimated 0.5 hours per pole includes the time of documenting the status of the pole and documenting any work that may be necessary.**

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Requests for Information Not Directed to NCTC: Commission Staff's Second Request
for Information Nos. 5-11 and 13-15 are not directed to NCTC, and no response is required.

