

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF THE)
PROPOSED POLE ATTACHMENT TARIFFS OF) Case No. 2022-00108
INCUMBENT LOCAL EXCHANGE CARRIERS)

AT&T'S RESPONSE TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

FILED: June 2, 2022

AT&T Responses To Commission Staff's First Request For Information

General Objections:

AT&T objects to each request to the extent it purports to require the release of information which is confidential, or for which confidential protection is being sought, protected by the attorney-client privilege, the attorney work product doctrine, is prepared in anticipation of litigation or trial, or is otherwise protected by any other discovery privilege recognized under the Federal Rules of Civil Procedure or the laws of the Commonwealth of Kentucky. AT&T objects to compiling information or producing documents not maintained in the ordinary course of business; any request to the extent it requires AT&T to provide information that may be obtained by Staff from another source that is more convenient, less expensive, or less burdensome. AT&T objects to each request to the extent that it is vague, ambiguous, overly broad, unduly burdensome, oppressive, or impossible to answer fully. AT&T objects to each request to the extent that it seeks information which is not relevant to the subject matter involved in the pending action and is not reasonably calculated to lead to the discovery of admissible information.

Subject to and without waiving these objections, AT&T responds to the individually enumerated requests as follows:

- 1. Refer to AT&T Kentucky's response to Commission Staff's First Request for Information, (Staff's First Request), Item 3. Explain how the inclusion of a link with pole attachment rates in the tariff and amending the rates by amending the amounts on the linked website complies with KRS 278.180 and 807 KAR 5:011.**

AT&T Response: AT&T's Kentucky pole attachment and conduit occupancy rates will be modified with the thirty-day advance notice to the Commission required per KRS 278.180 and any such changes in rates will be displayed in the AT&T tariff, PSC KY No 2A, page 40, Section A5.13.3. The web link in tariff section 18.1 is intended to be and is offered as a convenient reference and will reflect not only the Section A5.13.3 rates, but also rates applicable in other jurisdictions. Rates for other jurisdictions are not subject to KRS 278.180 or tariff rules in 807 KAR 5:011.

Responsible Person: Daniel Rhinehart, Director – Regulatory

- 2. Refer to AT&T Kentucky's response to Staff's First Request, Item 6. Explain whether AT&T Kentucky would charge new attachers for the cost to replace "red-tagged pole[s]" as that term is used in 807 KAR 5:015. If not, explain why the tariff should not be amended to specifically include that exception to avoid confusion.**

AT&T Response: AT&T proposes that its Tariff, Original Page 56, Section 8.8.6 be modified to read as follows:

With respect to Make-Ready Work, AT&T will assign any costs associated with the correction of existing conditions to the entity(ies) that caused the existing condition requiring correction, less the cost of any betterments the Attaching Party requested. For example, the cost for the

replacement of a red-tagged pole will be assigned to AT&T, though each Other User will be responsible for its own expense to transfer its own facilities from the red-tagged pole to the replacement pole.

Responsible Person: Mark Peters, Area Manager – Regulatory Relations

- 3. Refer to AT&T Kentucky’s response to Staff’s First Request, Item 11. Explain whether Account 2411 and 2411.1C includes only the capitalized costs for poles owned or controlled by AT&T Kentucky or whether it includes costs related to poles owned by others, e.g. costs for AT&T Kentucky’s fixtures to poles owned by others.**

AT&T Response: Account 2411.1C includes the original cost of poles, cross-arms, guys, and other material used in construction of pole lines. To the extent cross-arms, guys, or other materials are needed to facilitate AT&T attachments on poles owned by others, those amounts are included in Account 2411.1C. AT&T does not maintain separate records of any such items installed on poles owned by others.

Responsible Person: Daniel Rhinehart, Director – Regulatory

- 4. Refer to AT&T Kentucky’s response to Staff’s First Request, Items 13 and 14. Explain whether AT&T Kentucky contends that the useful life of 27 years for poles used to calculate the depreciation rate reflects the actual average service lives of its poles given the age of many of its poles reflected in Item 14.**

AT&T Response: The term “average service life” comes from the regulated depreciation study process that was used under rate of return regulation. AT&T filed its last FCC depreciation study in the middle to later 1990’s. “Average service life” is not a term nor is it a calculation used for AT&T’s GAAP depreciation. While AT&T has poles that have been in service for more than 27 years, those poles represent surviving poles from original placements, the count of which does not exist in AT&T’s present record-keeping systems. AT&T continues to believe that the 27-year useful life under GAAP accounting is appropriate for AT&T owned pole assets.

Responsible Person: Daniel Rhinehart, Director – Regulatory

- 5. Refer to AT&T Kentucky’s response to Staff’s First Request, Item 10.
 - a. Describe any deficiencies that would cause a pole to be identified for replacement.****

AT&T Response: AT&T objects on the basis that this request is overly broad, vague, ambiguous, and subject to multiple interpretations. More specifically, Staff’s First Request, Item 10, covers potential disputes over the estimated cost of make-ready, and neither Item 10 nor

AT&T's response consider deficiencies. The term deficiency can be interpreted in several ways in the context of this particular data request. In order to provide a response, AT&T interprets Staff's definition of deficiency meaning any factor that requires the replacement of a pole other than to meet the design requirements imposed by a proposed new attachment. In this context, pole deficiencies identified necessitating pole replacement may include, but are not limited to, excessive: (a) ground rot; (b) damage from foreign objects or creatures; or (c) damage due to a pole's age and/or the elements, among other things. Essentially, these are poles AT&T construction and/or engineering teams deem in need of replacement to ensure a safe work environment for anyone working aloft on or near the poles, as well as protecting the public and nearby property from injury or damage. Another example of deficiencies can largely be attributed to attachments to poles made without the proper authorization and engineering analysis. These situations tend to result in poles inadequate for the existing joint use of the pole, such as lacking the proper height to provide the required clearances or strength to pass pole loading analyses.

Responsible Person: Mark Peters, Area Manager – Regulatory Relations

b. If a pole deficiency is identified that requires a pole to be replaced, explain the process for replacing the pole in detail and how long each step typically takes from the time a deficiency is first identified to the time the pole is replaced.

AT&T Response: AT&T objects to this data request on the basis that it seeks information that is irrelevant, vague, and ambiguous or susceptible to various interpretations. AT&T's response is based on AT&T's understanding of Staff's definition of deficiency as described in the response to subpart a above. A multitude of variables exist that affect the timeline for completion of pole replacements, including the trigger (car accident, natural disaster, poles identified and tagged as unserviceable but not presenting an immediate danger, etc.), accessibility (unsafe area, access blocked by property owner, inaccessible for a truck, etc.), and supply chain issues (proper size pole unavailable, pole placing crews unavailable), among other things. Applying the interpretation utilized in response to subpart a above, though, some trigger involves a notification to the engineer. The engineer may discover the necessity to replace pole, or the notification might come from a pole owning partner, Attaching Party, governmental agency, customer, etc. Once the engineer becomes aware of the need to replace the pole, an engineering work order is created for the pole to be replaced and submitted for placement on the construction schedule based on priority. The construction team places the replacement pole subject to any factors affecting the timing.

Responsible Person: Mark Peters, Area Manager – Regulatory Relations

c. If a deficiency is identified but AT&T Kentucky's engineering team determines that the deficiency does not require the pole to be replaced, explain how the deficiency is documented and monitored in the future.

AT&T Response: AT&T objects to this request on the basis provided in subpart b above. Assuming AT&T understands Staff's definition of deficiency as described in the response to subpart a above, the engineering team does not specifically monitor poles once evaluated and determined to be serviceable. Nevertheless, AT&T's network employees, engineering team, and/or managers, as part of our mobile workforce daily activities, continuously inspect and monitor outside plant conditions for safety and/or service defects.

Responsible Person: Mark Peters, Area Manager – Regulatory Relations

d. State whether AT&T Kentucky performs any systematic, periodic inspections of its poles beyond inspecting poles when a technician is on sight for another reason. If so, explain that inspection process in detail. If not, explain why AT&T Kentucky does perform such inspections.

AT&T Response: Yes. As AT&T described in its response to Staff's First Request, Item 15, all parties with facilities attached to AT&T poles abide by standards that require inspection of poles prior to working aloft on or near the pole. In addition, the dangers inherent with electric utilities' facilities require those entities perform regular inspections of the facilities, which may involve visual or physical inspections of AT&T poles to ensure the integrity of the poles. Furthermore, AT&T engineers may be required to visit poles in response to requests to attach, AT&T's plans to deploy new, or replace existing, facilities, and to respond to customer requests to relocate poles. Additionally, as the request points out, AT&T technicians visit poles to work on, or install, facilities on the poles and perform inspections before working aloft. As a mobile workforce, AT&T employees, primarily Engineers, Construction personnel, Installation and Maintenance personnel and supervisors, through the course of daily visits to various locations in each wire center to perform their assigned duties, are required to be observant of all outside telephone plant they pass and/or come in direct contact with and to correct and/or report any defect or hazardous plant condition they may observe. In AT&T's experience, the abundance of activity that fits in the categories above leads to identification of the poles requiring replacement based on Staff's definition of deficiencies, as understood by AT&T.

Responsible Person: Mark Peters, Area Manager – Regulatory Relations

e. Explain whether and, if so, how AT&T Kentucky tracks the age and condition of its poles and makes determinations regarding when poles need to be replaced.

AT&T Response: AT&T does not track its poles by age, because it has found that age alone does not necessarily translate to serviceability of poles. As described in the response to subparts c and d above, AT&T relies on the abundance of activity involving poles to identify poles needing replacement and initiates the process to replace them once identified as unserviceable.

Responsible Person: Mark Peters, Area Manager – Regulatory Relations

6. Identify the total number of poles AT&T Kentucky has replaced in Kentucky in each of the last ten years.

AT&T Response: AT&T objects to this request because it is overly broad, unduly burdensome, and ambiguous. “Replace” is not a defined term. AT&T does not maintain “replacement” records in the normal course of business sufficient to respond, and the pole counts by year provided in response to Staff’s initial request item 14 related to pole vintages is the closest estimate of poles “replaced.” The counts presented, overcount pole replacements as new placements for growth jobs, additions of in-line support poles, etc. are not excluded.

Responsible Person: Daniel Rhinehart, Director – Regulatory

7. Provide an estimate of the average cost to perform a make-ready pole replacement, and explain each basis for your response.

AT&T Response: AT&T objects to this request as overly broad, unduly burdensome, vague, ambiguous, and susceptible to various interpretations. The cost to perform a make-ready pole replacement is highly variable and subject to the specific circumstances driving the make-ready, including new pole height and strength, the need or lack of need for guying, the number of existing telecommunications attachments that need to be transferred from the old pole to the new pole, the presence or lack of presence of power company lines and/or street lights, and changes in the material (pole) costs from vendors. However, AT&T’s engineering systems produced estimated job costs of \$1,500 to \$2,000 under the assumption that a pole was replaced by a 40-foot wooden pole with only two cable transfers and assuming, in the first instance, no guy and anchor work and in the second instance the removal of an old down guy and anchor with placement of a new down guy and anchor.

Responsible Person: Daniel Rhinehart, Director - Regulatory

8. Other than identifying specific defective poles through inspections that require replacement, state whether you have a policy or practice of replacing poles in a circuit 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.

AT&T Response: AT&T objects to this data request on the basis that it is vague, ambiguous, and susceptible to various interpretations. AT&T understands the term circuit to be an electric industry term of art to mean a path originating from some point and serving electrical customers. This term does not apply to AT&T’s network, as paths can be rings, and copper pairs can appear at multiple points. However, holistically, AT&T does not replace poles on a periodic basis because age alone is not an indicator of a pole’s serviceability in AT&T’s experience.

AT&T does not have an explicit capital budget for pole replacements. Poles replacements in the normal course of business are funded (capitalized) from operating expense budgets.

Responsible Person: Daniel Rhinehart, Director – Regulatory

- 9. Describe your recent efforts, if any, to reduce the number of above-ground transmission and distribution lines and identify the number of poles that have been eliminated in your system in each of the last ten years because the electric lines previously attached to those poles were placed underground.**

AT&T Response: AT&T does not have any specific plans to reduce the quantity of its above-ground facilities.

Responsible Person: Daniel Rhinehart, Director – Regulatory

- 10. Provide any current joint use agreements.**

AT&T Response: AT&T objects to providing current joint use agreements as they are highly confidential, and, as such, AT&T is filing a petition with the Commission seeking confidential treatment of any and all such joint use agreements.

Responsible Person: Daniel Rhinehart, Director - Regulatory

VERIFICATION

STATE OF TEXAS)
)
COUNTY OF WILLIAMSON)

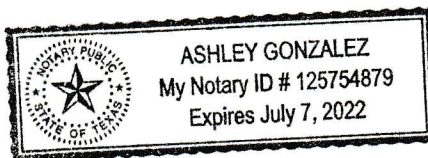
The undersigned, Daniel Rhinehart, being duly sworn, deposes and says that he is Director-Regulatory, AT&T, and that he has personal knowledge of the matters set forth in the responses contained herein and that they are true and correct to the best of his information, knowledge and belief.

Daniel Rhinehart

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 2 day of June 2022.

Notary Public

Notary Public, ID No. 125754879



My Commission Expires:

July 7, 2022

VERIFICATION

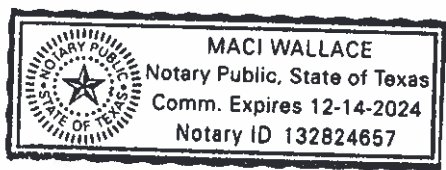
STATE OF TEXAS)
)
COUNTY OF TARRANT)

The undersigned, Mark Peters, being duly sworn, deposes and says that he is Area Manager -Regulatory Relations, AT&T, and that he has personal knowledge of the matters set forth in the responses contained herein and that they are true and correct to the best of his information, knowledge and belief.

Mark Peters
Mark Peters

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 13th day of June 2022.

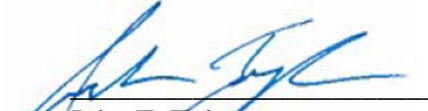
Maci Wallace
Notary Public
Notary Public, ID No. 132824657



My Commission Expires:
12/14/2024

CERTIFICATE OF SERVICE

I hereby certify that on June 2, 2022, I electronically filed the foregoing document using the Kentucky Public Service Commission's electronic system for filing, which sent notice of filing to counsel of record.



John T. Tyler