COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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ELECTRONIC APPLICATION OF DUKE)
ENERGY KENTUCKY, INC. FOR (1) AN)
ADJUSTMENT OF ELECTRIC RATES; (2))
APPROVAL OF NEW TARIFFS; (3))
APPROVAL OF ACCOUNTING)
PRACTICES TO ESTABLISH)
REGULATORY ASSETS AND)
LIABILITIES; AND (4) ALL OTHER)
REQUIRED APPROVALS AND RELIEF)
)

CASE NO. 2022-00372

ERRATA

DIRECT TESTIMONY

OF

PATRICIA D. KRAVTIN

Submitted on

Behalf of

The Kentucky Broadband and Cable Association

March 10, 2023

amount of usable space available for attachments on taller poles is not as self-administering as it would be under the FCC formula.⁷

That said, Administrative Case No. 251, to my reading, similar to the FCC rules, would permit a rate calculation based on deviations from the numbers prescribed by the Commission where there are "major discrepancies" with the "average characteristics of the utility" – as is the case for Duke, given the significant number of 50 foot poles now used for attachments, and the relative declining percentage of 35 foot poles.⁸

Q: DO YOU HAVE AN OPINION ABOUT HOW THE COMMISSION SHOULD ADDRESS THIS ISSUE?

A: Yes. As described earlier, I am recommending two different options to remedy the discrepancy regarding the pole heights used by Duke to calculate its proposed pole rates. The first option is to direct Duke to charge the three-user rate (\$7.96 including all non-unitized pole counts) calculated on the basis of an average 42.5 foot pole height for all attachments, instead of the current mix of two-user (calculated on the basis of a lower average 37.5 foot pole height) and three user rates (based on the taller average 42.5 foot pole height).

In the alternative, the Commission could direct Duke to recalculate its two and three-user rates to reflect Duke's actual known distribution of poles used for attachments, including its use of 50 foot poles in the computation of the three-user rate.

⁷ See Kravtin Workpapers (attached as Exhibits 7 and 8).

⁸ Administrative Case No. 251 (stating "[t]he Commission will allow deviations from the mathematical elements found reasonable herein only when a major discrepancy exists between the contested element and the average characteristics of the utility, and the burden of proof should be upon the utility party asserting the need for such deviation").