Legler, using input variables the Commission finds to be acceptable to those used by Dr. Ibbotson, found the cost of equity to be in a range from 10.3% to 12.5%. Dr. Spearman also found a range using the CAPM, and his range was from 10.59% to 12.50%, reasonably close to the range found by Dr. Legler.

Because he failed to use another methodology to verify the results he obtained through the CAPM, and failed to provide any comparative analyses, the Commission finds that Dr. Ibbotson's recommendation should be given little weight in the determination of the appropriate cost of equity. Instead, the Commission will rely more heavily upon the studies conducted by Drs. Spearman and Legler.

Based on the information presented within the context of this rate proceeding, specifically the rate of return studies of Drs. Spearman and Legler, the Commission finds that the return on common equity is from 12.0% to 12.5%. The Commission further finds that a fair and proper return on common equity of 12.25% provides the opportunity to produce additional annual revenues of $30,251,000 for the Company's South Carolina retail electric operations, which the Commission finds fair and reasonable.

The Commission considers the range of return of 12.0% to 12.5% to represent the reasonable expectations for the equity owner, and therefore, consistent with the standards of the Hope decision. The range of return found fair and reasonable is sufficient to protect the financial integrity of the Company, to preserve the property of the investor, and to permit the Company to

continue to provide reliable service to present and future customers at reasonable rates. Additionally, this range coincides with the recommendations of Drs. Legler and Spearman.

An important function of ratemaking is the determination of the overall rate of return which the utility should be granted. This Commission has utilized the following definition of "rate of return" in previous decisions, and continues to do so in this proceeding:

> For regulatory purposes, the rate of return is the amount of money earned by a regulated company, over and above operating costs, expressed as a percentage of the rate base. In other words, the rate of return includes interest on long-term debt, dividends on preferred stock, the earnings on common stock and surplus. As Garfield and Lovejoy have put it "the return is that money earned from operations which is available for distribution among the various classes of contributors of money capital. In the case of common stockholders, part of their share may be retained as surplus."
>
> Phillips, The Economics of Regulation, pp. 260-261 (1969).

The amount of revenue permitted to be earned by the Company through its rate structure depends upon the rate base and the allowed rate of return on the rate base. As discussed in the preceding section of this Order, the primary issue between the regulated utility and regulatory body most frequently involves the determination of a reasonable return on common equity, since the other components of the overall rate of return, i.e., dividends on preferred stock and cost of debt, are fixed. Although the determination of the return on common equity provides a necessary component from which the rate of return on rate base can be

derived, the overall rate of return, as set by this Commission, must be fair and reasonable.

The United States Supreme Court's landmark decision in Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia, 262 U.S. 679 (1923), delineated general guidelines for determining the fair rate of return in utility regulation. In the Bluefield decision, the Court stated:

> What annual rate will constitute just compensation depends upon many circumstances and must be determined by the exercise of a fair and enlightened judgment, having regard to all relevant facts. A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risk and uncertainties; but it has no constitutional rights to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties. A rate of return may be reasonable at one time, and become too high or too low by changes affecting opportunities for investment, the money market, and business generally.
>
> 262 U.S. at 692-693.

During the subsequent year, the Supreme Court refined its appraisal of regulatory precepts. In its frequently cited Hope decision, supra, the Court restated its view:

> We held in Federal Power Commission v. Natural Gas Pipeline Co....that the Commission was not bound to the use of any single formula or combination of formulae in determining its rates. Its ratemaking function, moreover involves the making of 'pragmatic adjustments' (citation omitted)...Under the statutory standard of 'just and reasonable' it is the result reached, not the

> method employed which is controlling (citation omitted).... The ratemaking process under the Act, i.e., the fixing of 'just and reasonable' rates involves a balancing of the investor and the consumer interests. Thus we stated in the Natural Gas Pipeline Co. case, that regulation does not insure that the business shall produce net revenues. (citations omitted) But such considerations aside, the investor interest has a legitimate concern with the financial integrity of the company whose rates are being regulated. From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock. (citation omitted.) By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.
>
> 320 U.S. at 602-603.

The vitality of these decisions has not been eroded, as indicated by the language of the more recent decision of the Supreme Court in IN RE: Permian Basin Area Rate Cases, 390 U.S. 747 (1968). This Commission has consistently operated within the guidelines set forth in the Hope decision. See, also, Southern Bell, supra, 244 S.E. 2d at 280-3.

The rate of return which the Commission has herein found to be fair and reasonable should enable the Company to maintain and enhance its position in the capital markets. Patently, however, the Company must insure that its operating and maintenance expenses remain at the lowest level consistent with reliable service and exercise appropriate managerial efficiency in all phases of its operations. The Commission has consistently manifested its abiding

concern for the establishment and continuation of efficiency programs on the part of its jurisdictional entities. By its Directive of August 27, 1974, the Commission urged the derivation of cost control studies, the adoption of cost reduction programs, and the elimination and reduction of costs "in all possible ways." The continued awareness of the potential efficacy of such programs and their implementation is consistent with the conscious national and State policies to limit the deleterious effects of inflation.

Company witness Lee described the considerable effort made by the Company to reduce its costs of construction and its operations and maintenance expenses. (TR. Vol. 1, pp. 53, 54, 68-69) (TR. Vol. 2, pp. 11-18) The Company's construction policies and programs have resulted in favorable comparisons with the construction costs of other electric utilities. In addition, the standards for the measurement of economical generating operations manifest that the Company has generally demonstrated an ability to produce electrical energy in a measurably efficient manner.

The record of this proceeding indicates that the Company has generally undertaken its cost reduction efforts in the spirit of the Commission's Directive and consistent with our previous Orders, especially the Order in Duke's last rate case in 1986. Since that time Duke has eliminated more than 1,200 work positions and is on a program to eliminate about 600 positions per year over the next three years mainly through attrition. (TR. Vol. 1, pp. 50-51, 53). The Commission feels that Duke is serious about cost savings. Nonetheless, the Commission cannot ignore the effect of the

Company's increasing operating expenses. The Company and the parties before us may take notice of the fact that the Commission is not inclined to be completely satisfied with the cost reduction and efficiency programs of any jurisdictional utility. The Commission will continue to expect the Company to design and implement such programs in the future as an index of good management practice in the interests of its customers and of the Company itself. With the full array of its resources at its disposal, the Company should be able to assure us that such programs produce identifiable and measurable results consistent with the provision of economical and adequate service to the Company's ratepayers. The Commission has found a fair and reasonable return on common equity which the Company should be allowed the opportunity to earn, and has herein set rates to produce revenues to reach that return. The Commission considers that effective programs of cost reductions can operate to enable the Company to improve its financial posture and earn the return approved. In addition to the review of the Company's cost of service in the context of this proceeding and our express expectations of efficient and effective management, the Commission considers the accepted regulatory devices of the use of a year-end rate base, adjustments for customer growth and annualized depreciation, together with adjustments for identifiable and measurable changes in revenues and expenses to combine to represent a reasonable regulatory approach to the earnings erosion attributable to inflation.

The Commission has found that the capitalization ratios as of June 30, 1991, are appropriate and should be used in the instant proceeding. The Commission has likewise found that the respective embedded cost rates for long-term debt of 8.67% and for preferred stock and preference stock of 7.53%, should be utilized in the determination of a fair overall rate of return. For the purpose of this proceeding, the Commission has herein found the proper cost rate for the Company's common equity capital to be 12.25%.

13. Based upon the foregoing, Duke should increase its annual level of gross revenues under present rates by $30,251,000. The annual revenue requirement approved herein is $1,018,295,000 which will allow Duke a reasonable opportunity to earn the rate of return on its rate base which the Commission has found just and reasonable.

The evidence supporting this finding of fact is contained in the testimony and exhibits of Company witness Denton, Staff witness Watts, Consumer Advocate witness Lanzalotta and SCEUC witness Phillips. Mr. Denton described the changes Duke proposes for the Company's various rate schedules. The Company proposes to consolidate its three non-time-of-use residential rates into two new rate schedules: (1) RS, residential service; and (2) RE, residential service, electric water heating and space conditioning. Both rates include conservation discounts. These proposed rate schedules eliminate present rate Schedules R, RC, and RA and reassign customers to new Schedules RS and RE. Schedule RS consists of four categories. Category 1 applies to any residential

customer. Category 2 applies to residential customers with qualifying electric water heaters. Category 3 applies to residential customers meeting certain thermal conditioning requirements. Category 4 applies to residential customers meeting both the requirements for Categories 2 and 3. Schedule RE applies to residential customers where all energy required for water heating, cooking, clothes drying, and space conditioning is supplied electrically. This schedule consists of two categories. Category 1 applies to customers meeting specific requirements for electric water heaters and electric space conditioning. Category 2 applies to customers meeting Category 1 specifications, as well as the same specific thermal conditioning requirements as those required by Schedule RS, Category 3 and 4. Mr. Denton explained that the new schedules place customers in more homogeneous groups based on the equipment installed in their homes and permits targeted price signals to these homogenous groups.

As a result of the proposed residential rate design charges, some customers on each rate schedule will receive bill increases greater than the percentage increase for the residential class. Duke proposes to create Schedule RB for these customers who would otherwise receive an increase of 5% or more above the average residential class increase, and limit the magnitude of the increase to Schedule RB customers to 5% above the average residential increase. Duke also plans to encourage customers who will receive an increase greater than the increase for the class to move to time-of-use Schedule RT, which may minimize the impact of the

proposed increase. The Company proposes to modify Schedule RT by reducing the customer charge and including eight weekday holidays as off-peak periods.

Mr. Denton also explained the proposed modifications to general service and industrial rate schedules. Duke proposes to modify Schedules G, GA, and I to eliminate the confusion caused by GA being available to both general service and industrial customers. Under the current rate design, it is sometimes difficult for customers to determine the appropriate rate for their usage. Duke proposes that industrial customers be served on Schedule I, and that general service customers be served on Schedules G and GA. The billing demand provision of Schedule GA currently applied to industrial customers would be maintained for Schedule GA customers moving to Schedule I. For general service customers, Duke proposes to retain Schedules G and GA with certain modifications. Under each rate, the price during April through November will be the same. The months of December through March will have lower energy charges for Schedule GA. These changes will reduce customer confusion in the general service class over which rate is more advantageous. Bills under Schedule GA will always be equal to or lower than bills under Schedule G.

The Company proposes to reduce the Schedule OPT summer on-peak hours from ten to eight, with the on-peak period beginning at 1:00 p.m. and ending at 9:00 p.m. The reduction is proposed to make it easier for customers to shift production off-peak by allowing them to operate two eight-hour shifts during the off-peak period. SCEUC

witness Phillips agrees with the proposed change, in on-peak hours. (TR. Vol. 4, p. 125). No other party expressed opposition to the modified hours. Therefore, the Commission concludes that the modified summer on-peak hours on Schedule OPT proposed by the Company should be adopted.

The Company proposes to increase closed rate schedules GB, GT, and IT 2% more than the overall general increase to encourage customers to move from these rates to open rate schedules. This proposal was opposed by SCEUC witness Phillips, who proposes that Schedule OPT be revised by lowering demand and energy charges to make it more attractive to Schedule I and IT customers, rather than simply increasing the rate to move customers. Mr. Phillips also proposes that the increase for Schedule GB, GT, IT, and I be limited to the average of the industrial class increase. (TR. Vol. 4, pp. 126-127). This position, however, is inconsistent with the Company's cost of service study.

Mr. Denton also described the proposed changes to lighting schedules. Duke currently has four lighting schedules, Schedules T, T2, T2X, and FL. Schedule T, Street Lighting Service, is available to governments for public lighting. Duke proposes to change the name to Schedule PL, Street and Public Lighting Service. Schedule T2, Outdoor Lighting Service, would be designated Schedule OL. The designation of Schedule FL, Floodlighting Service, would not change.

Duke is proposing additional pricing levels for Schedules OL and FL to cause new customers to pay the higher cost of installing

lights when a pole installation is requested by the customer. The proposed rates include pricing for a new luminaire on an existing pole, for the installation of a new pole, and a price for a new pole installation and underground service. Existing installations would be served on the luminaire-only rate. Schedule T2X, Subdivision Entrance Lighting Service, is currently available for lighting entrances to subdivisions and other public areas. Duke is proposing to cancel Schedule T2X and offer new mercury vapor and high pressure sodium vapor post-top luminaries on Schedule OL.

The Company proposes to increase the noncompliance penalties for Interruptible Rider IS. This is the service rider under which General Service and Industrial Service customers receive credit from the Company to reduce their usage at Duke's request. Under this proposal, each time the customer fails to reduce usage, approximately one third of the credits paid to the customer during the year are to be repaid to Duke. If the customer fails three times during the year to reduce usage upon request, all of the credits paid during the prior twelve months will be repaid to Duke, and the customer will be removed from Rider IS. Staff witness Watts was of the opinion that this proposal was consistent with customer expectations on this Rider. TR. Vol. 5, p. 227.

The SCEUC proposes the credit to Interruptible Rider IS be increased to 50% of actual demand costs, or $7.50/KW. Presently, the credit is $3.50/KW. The Commission finds that this request should be denied. The Company provided information which indicates it is attracting a sufficient amount of interruptible load at the

present credit and has requested an increase in the system cap to 1100 megawatts.

Finally, Duke proposes that a pilot program named "Limited Demand Charge Days" (LDCD) be approved. The pilot program will be used to determine to what extent industrial customers will change their consumption characteristics during times of adequate supply by limiting demand charges during these periods. Customers would be able to increase their consumption during these periods without incurring an increased billing demand.

Staff witness Watts testified that the Electric Department reviewed Duke's rates, tariffs and service regulations, and verified the requested increase by rate schedule. Based on the Staff's review and audit, it concurs with the Company's proposed rate design changes. (TR. Vol. 5, pp. 223-228).

Consumer Advocate witness Lanzalotta testified that the increase in Schedule RS should be no larger than the increase for the residential class, and that the proposed tailblock rate in Schedule RE should not be less than the tailblock rate in Schedule RS. This proposal would eliminate the discount for efficient air conditioning and high levels of insulation. Mr. Lanzalotta testified that Duke's residential rate design improperly encourages the use of electric space heating, water heating, and air conditioning. Mr. Lanzalotta is correct when he asserts that Duke's rate design will encourage electric heating and water heating. Duke has encouraged efficient heat pumps on its system to create off-peak winter sales. Such sales improve Duke's load

factor, which enables fixed costs to be spread over a larger number of kilowatthours. This benefits all customers by lowering the unit cost of electricity. (TR. Vol. 4, pp. 106-107; 110-111). Mr. Lanzalotta's recommendations are inconsistent with Duke's efforts that are clearly beneficial to Duke's customers. Duke is a summer peaking utility, with a significant air conditioning load. The discount in Schedule RE which Mr. Lanzalotta criticizes will encourage efficient air conditioning and conservation. These are appropriate goals of rate design which the Commission has adopted in prior cases and finds that such are appropriate in this proceeding.

The Company proposes to increase the reconnect charge for electric service from $5.00 to $15.00. Cost analysis validate that the expenses involved in these operations are above the proposed level. Accordingly, the proposed reconnect fee should be approved.

An increase in the late payment charge from 1.0% to 1.5% is proposed by the Company. Staff witness Watts noted that the Commission's Regulation R.103-339(3) allows a utility to charge a 1.5% maximum late payment charge. Commission approval is not necessary to implement the request. However, as Staff recommended, the Commission will require the Company to inform its customers before implementing the increased charge.

The Company is proposing to include a basic facilities charge (BFC) of $1.40 for schedule WC, residential submetered water heating. Presently, there is no BC for that schedule. The Commission finds that the proposed BFC of $1.40 is appropriate for

schedule WC.

The Company proposes to increase the BFC to almost all of its rate schedules. The BFC for Schedules RT and GA were reduced. The Commission hereby approves the proposed reduction in the BFC to Schedules RT and GA. However, the Commission denies the proposed increase in the BFC to all other rate schedules.

The parties have made other proposed revisions to the rate schedules proposed by Duke which are not specifically addressed in this Order. The Commission has carefully considered the testimony and exhibits of each party. The remaining proposals, while not specifically addressed, must be rejected by the Commission. Duke's proposed rate design, rate schedules, miscellaneous charges, and terms and conditions should be approved, except as specifically modified in this Order.

14. The rate of return for the Industrial class is outside the "band of reasonableness," a band or range of plus or minus 10% of the average retail rate of return. Consequently, the revenue increase approved herein should be distributed in order to move the Industrial class rate of return toward the band of reasonableness. In his direct testimony, Mr. Denton explained that different percentage increases were applied to customer classes to help move the Residential and Industrial classes toward the band of reasonableness. Mr. Denton testified that the industrial class is experiencing a significantly higher rate of return than average, and the residential class is experiencing a significantly lower return than average. Duke proposes to allocate the increase in

revenue to trend toward equal rates of return.

SCEUC witness Phillips testified that Duke's proposed allocation of the revenue increase does not adequately move class rates of return toward equality. Under Mr. Phillips proposal, the remaining difference would be reduced in future rate cases. Mr. Phillips proposed as an alternative that the Commission utilize the difference between Dukes's requested increase and the actual increase granted to reduce or eliminate overpayments made by the industrial class. TR. Vol. 4, pp. 121-122.

Staff witness Watts recommended adoption of the Company's Cost of Service Studies with certain modifications. TR. Vol. 5, p. 238.

The Commission concludes for purposes of this proceeding that the revenue increase approved herein should be allocated in the same manner as proposed by the Company in an effort to bring the Industrial class return toward the band of reasonableness.

Commission Staff witness Watts recommended removal of franchise fees/municipal license fees as part of the Cost of Service Study, listed in General Taxes as Revenue Related Taxes. (TR. Vol. 5, p. 235). Mr. Watts cited the Commission's decision in City of Spartanburg v. Public Service Commission of South Carolina, 281 S.C. 223, 314 S.E.2d 599 (1984) as support for his recommendation. These fees, imposed by certain municipalities, would only be charged to those customers living within the corporate limits of that municipality, therefore not affecting all ratepayers.

For purposes of the rates adopted in this Order, the

Commission finds that the franchise fees/municipal license fees are to be included in base rates. The Company shall remove these fees beginning in January, 1992. The Commission requires the Company to give notice to all customers concerning the removal of these fees from the cost of service. After this notice period, the Commission finds it appropriate to reduce base rates for removal of franchise fees/municipal license fees and include these fees as a separate line component on affected customers' bills effective with the first billing cycle in January, 1992.

In Mr. Stimart's supplemental testimony, he recommended an adjustment to test period revenues to reflect the anticipated billings to be received under FERC Rate Schedule J between Duke Power Company and Carolina Power & Light Company. (TR. Vol. 2, pp. 159-160). This adjustment would have decreased test period costs by $11,487,906. (Hearing Exhibit 4, Stimart Supplemental Exhibit 1, p. 2). Mr. Lee testified on the stand, however, that Duke had received notice from Carolina Power & Light Company that it did not intend to comply with the provisions of Schedule J. He also testified that litigation could well result. (TR. Vol. 1, p. 73). Based upon these events, Mr. Lee and Mr. Stimart recommended that no adjustment be made to the test period as a result of Schedule J due to the uncertainties involved in that contract. (TR. Vol. 1, p. 74; TR. Vol. 2, p. 160). Mr. Stimart proposed that any collections received pursuant to Schedule J be placed in a deferred account and that when the uncertainty surrounding the contract is resolved, the Company submit a proposal to adjust rates to reflect the

collections in the deferred account and to reflect future collections under Schedule J in rates. (TR. Vol. 2, p. 160).

The Commission concludes that it would be inappropriate to include any amounts in Schedule J in rates adopted in this proceeding. The Commission orders the Company to place any collections received pursuant to Schedule J in a deferred account. The Commission reserves the right to address the deferral, if necessary.

15. As an evidentiary matter, the Company and the Consumer Advocate sought to introduce certain exhibits. Specifically, the Consumer Advocate objected to the introduction of Hearing Exhibit Nos. 19 and 42. The Company objected to the introduction of Hearing Exhibit No. 43. The Commission has reviewed the record concerning the introduction of these documents/articles and finds that they should not be introduced into the evidence of this proceeding as none have been properly authenticated.

16. The Commission finds that it is not the proper forum to determine Duke's responsibility or liability in controlling the level of its Catawba River system, specifically the water levels of Lake Wateree. Mr. Jasper Rogers intervened in this proceeding and testified during the hearing. Mr. Rogers asked the Commission to make the Company be more responsible for its actions concerning the flood levels of Lake Wateree. As Mr. Rogers pointed out, the deeds of the property owners around the Lake reserve a ten foot standing easement from the top of the Lake Wateree dam to the Company.

The Company's Catawba River system provides hydroelectric

power through several generating units along the system. The requirements to run the Company's hydroelectric system are governed by the Federal Energy Regulatory Commission. Therefore, this Commission is without jurisdiction to direct the Company to construct a floodgate or spillway to control the Wateree lake level. As Company witness Lee stated, the Company has established a toll-free number for property owners to call to get information on the lake level conditions. Mr. Lee testified that lots were sold with notice to the buyers that the lot was subject to flooding. TR. Vol. 1, p. 76-77. While the Commission is sensitive to the situation of Mr. Rogers and other similarly situated property owners, the Commission is not the agency to resolve the problem.

CONCLUSIONS OF LAW

1. That Duke Power Company is an electric utility providing service to the public for compensation in South Carolina.

2. That under S.C. Code Ann. §58-27-10 *et seq*. (1976) as amended, Duke's retail operations in South Carolina are subject to the jurisdiction of this Commission.

3. That the accounting adjustments approved herein are just and reasonable and appropriate for ratemaking purposes.

4. That the Company's total original cost rate base amounts to $1,835,128,000 and is a just and reasonable level.

5. That the capital structure and embedded cost rates approved herein are appropriate for use in this ratemaking proceeding.

6. That the reasonable range of return on common equity is 12.00% to 12.50% and is fair and reasonable. The rates approved herein will be set on the mid-point of the range, or 12.25%.

7. That the overall rate of return on rate base is 10.35%.

8. That the Company will have the opportunity to produce additional annual revenues of $30,251,000 based on a rate of return on equity of 12.25%. The annual total revenue requirement is $1,018,295,000.

9. That the Company's proposed rate design, rate schedules, miscellaneous charges, and terms and conditions are approved, except as specifically modified in this Order.

10. That franchise fees/municipal license fees be removed as a part of the cost of service study. The Company, before removing these fees, shall notify all affected customers living within the corporate limits of the municipality imposing the fee. The Company will begin including these fees as a separate line item of a customer's bill effective with the first billing cycle in January, 1992.

11. That the Commission is not the proper forum to remedy the problems put forth by Mr. Jasper Rogers.

12. That the rates approved herein shall be effective for service rendered on and after the date of this Order.

13. That the Company should continue to file quarterly reports showing:

(a) Rate of return on approved rate base;

(b) Return on common equity (allocated to South Carolina

retail electric operations);

(c) Earnings per share of common stock;

(d) Debt coverage ratio of earnings to fixed charges.

These reports should be filed within 45 days of the end of the calendar quarter.

14. That the Company shall file for approval within five (5) days of this Order, revised rate schedules to reflect the Commission's determinations herein.

IT IS THEREFORE ORDERED:

1. That the revenue requirement proposed by Duke Power Company is unreasonable and improper and is hereby denied.

2. That the Company shall file with the Commission for approval within five (5) days of the date of this Order, rate schedules reflecting the findings and conclusions herein.

3. That the Company file the reports identified herein in accordance with our findings and conclusions.

4. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Marjorie Amos-Frazier
Chairman

ATTEST:

Charles W Dalton
Executive Director

(SEAL)

In the Matters of	)	
	)	
TeleCable of Piedmont, Inc.,	)	CC Docket No. 95-93
	)	
Cencom Cable Income Partners II, L.P., Cencom Cable Entertainment, Inc. and Cencom Cable Television, Inc.	)	
	)	PA90-0003
TeleCable of Spartanburg, Inc. and TeleCable of Greenville, Inc.	)	PA91-0001 PA91-0002
	)	
Complainants,	)	
	)	
v.	)	
	)	
Duke Power Company,	)	
	)	
Respondent.	)	

To: The Common Carrier Bureau

AFFIDAVIT OF WM. LARRY SHEPPARD

STATE OF NORTH CAROLINA)
) SS
COUNTY OF Mecklenburg)

Wm. Larry Sheppard, being first duly sworn, deposes and states as follows:

(1) I am Manager, Power Delivery, Duke Power Company, with offices located at 526 South Church Street, P.O. Box 1006, EC12H, Charlotte, North Carolina 28201-1006. I am over the age of 18 and have personal knowledge of the matters set forth herein.

(2) I have reviewed the foregoing data which was prepared under my direction and is being submitted pursuant to Paragraph 24 of the Common Carrier Bureau's Hearing Designation Order released on June 15, 1995. The data comprising Duke Power Company's historical pole attachment information for the years 1990-1995, including semi-annual billing for the Complainants TeleCable of Piedmont, Inc., Cencom Cable Income Partners, II, L.P., Cencom Cable

Entertainment, Inc., and Cencom Cable Television, Inc., TeleCable of Spartanburg, Inc., and TeleCable of Greenville, Inc., and showing the number of poles attached to by those cable companies during the relevant time periods.

(3) The foregoing data, as taken from Duke Power Company's annual FERC Form 1 and plant accounting records for the relevant time periods, is true and correct to the best of my knowledge.

Further affiant sayeth not.

Wm. Larry Sheppard
Manager, Power Delivery

SWORN AND SUBSCRIBED before me this 24th day of July, 1995, by Wm. Larry Sheppard, who is personally known to me to be the person named herein and who executed the foregoing Affidavit, and acknowledged to me that he voluntarily executed the same.

NORTH CAROLINA
UNION COUNTY

Sworn to and subscribed before me
this 24th day of July, 1995.

Amy J. Knight
Notary Public

My Commission Expires: 1/13/1999