

APPENDIX A

Revised Rules

Part 1 of Title 47 of the Code of Federal Regulations is amended as follows:

PART 1 — PRACTICE AND PROCEDURE

1. The authority citation for Part 1 continues to read as follows:

AUTHORITY: 47 U.S.C. 151, 154(i), 154(j), 155, 225, 303(r), 309 and 325(e).

2. Amend § 1.1402 to revise paragraph (m) to read as follows:

§ 1.1402 Definitions.

* * * * *

(m) The term *attaching entity* includes cable system operators, telecommunications carriers, incumbent and other local exchange carriers, utilities, governmental entities and other entities with a physical attachment to the pole, duct, conduit or right of way. It does not include governmental entities with only seasonal attachments to the pole.

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3. Amend § 1.1409 to remove paragraph (e)(4) and revise paragraphs (e)(1), (e)(2), (e)(3) and the first sentence of paragraph (f) to read as follows:

§ 1.1409 Commission consideration of the complaint.

* * * * *

(e) * * *

(1) The following formula shall apply to attachments to poles by cable operators providing cable services. This formula shall also apply to attachments to poles by any telecommunications carrier (to the extent such carrier is not a party to a pole attachment agreement) or cable operator providing telecommunications services until February 8, 2001:

$$\text{Maximum Rate} = \text{SpaceFactor} \times \frac{\text{Net Cost of a Bare Pole}}{\text{Carrying Charge Rate}}$$

$$\text{Where Space Factor} = \frac{\text{Space Occupied by Attachment}}{\text{Total Usable Space}}$$

(2) Subject to paragraph (f) the following formula shall apply to attachments to poles by any telecommunications carrier (to the extent such carrier is not a party to a pole attachment agreement)

or cable operator providing telecommunications services beginning February 8, 2001:

$$\text{Maximum Rate} = \text{SpaceFactor} \times \text{NetCostofaBarePole} \times \left[\begin{array}{c} \text{Carrying} \\ \text{Charge} \\ \text{Rate} \end{array} \right]$$

$$\text{Where SpaceFactor} = \left[\frac{\left(\begin{array}{c} \text{Space} \\ \text{Occupied} \end{array} \right) + \left(\frac{2}{3} \times \frac{\text{UnusableSpace}}{\text{No. of Attaching Entities}} \right)}{\text{Pole Height}} \right]$$

(3) The following formula shall apply to attachments to conduit by cable operators and telecommunications carriers:

$$\text{Maximum Rate per Linear ft./m.} = \left[\frac{1}{\text{Number of Ducts}} \times \frac{1 \text{ Duct}}{\text{No. of Inner Ducts}} \right] \times \left[\frac{\text{No. of Ducts}}{\text{System Duct Length (ft./m.)}} \times \frac{\text{Net Conduit Investment}}{\text{System Duct Length (ft./m.)}} \right] \times \text{Carrying Charge Rate}$$

(Percentage of Conduit Capacity) (Net Linear Cost of a Conduit)

simplified as:

$$\text{Maximum Rate Per Linear ft./m.} = \frac{1 \text{ Duct}}{\text{No. of Inner Ducts}} \times \frac{\text{Net Conduit Investment}}{\text{System Duct Length (ft./m.)}} \times \text{Carrying Charge Rate}$$

If no inner-duct is installed the fraction, "1 Duct divided by the No. of Inner-Ducts" is presumed to be 1/2.

(f) Paragraph (e)(2) of this section shall become effective February 8, 2001 (i.e., five years after the effective date of the Telecommunications Act of 1996). * * *

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4. Amend §1.1417 to revise paragraphs (a), (b), (c), and the first sentence of paragraph (d) to read as follows:

§ 1.1417 Allocation of Unusable Space Costs.

(a) With respect to the formula referenced in Section 1.1409(e)(2), a utility shall apportion the cost of providing unusable space on a pole so that such apportionment equals two-thirds of the costs of providing unusable space that would be allocated to such entity under an equal apportionment of such costs among all attaching entities.

(b) All attaching entities attached to the pole shall be counted for purposes of apportioning the costs of unusable space.

(c) Utilities may use the following rebuttable presumptive averages when calculating

the number of attaching entities with respect to the formula referenced in Section 1.1409(e)(2). For non-urbanized service areas (under 50,000 population), a presumptive average number of attaching entities of three (3). For urbanized service areas (50,000 or higher population), a presumptive average number of attaching entities of five (5). If any part of the utility's service area within the state has a designation of urbanized (50,000 or higher population) by the Bureau of Census, United States Department of Commerce, then all of that service area shall be designated as urbanized for purposes of determining the presumptive average number of attaching entities.

(d) A utility may establish its own presumptive average number of attaching entities for its urbanized and non-urbanized service areas as follows: * * *

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5. Amend §1.1418 to read as follows:

§ 1.1418 Use of presumptions in calculating the space factor.

With respect to the formulas referenced in Sections 1.1409(e)(1) and (e)(2), the space occupied by an attachment is presumed to be one (1) foot. The amount of usable space is presumed to be 13.5 feet. The amount of unusable space is presumed to be 24 feet. The pole height is presumed to be 37.5 feet. These presumptions may be rebutted by either party.

APPENDIX B
List of Parties Filing in *Fee Order Reconsideration Proceeding*

Petitions for Reconsideration and/or Clarification of the Fee Order were filed by:

American Electric Power Corporation, Commonwealth Edison Company and Duke Energy Corporation (filed errata to correct the name of American Electric Power Corporation to American Electric Power Services Corporation) (American Electric)

Southern Company Services, Inc., on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Savannah Electric and Power Company (Southern Co.)

Texas Cable & Telecommunications Association (TxCTA)

United States Telecom Association (USTA)

United Telecom Council and the Edison Electric Institute (UTC/EEI)

Comments in Support of and/or Opposition to Fee Order Petitions were filed by:

Verizon, local telephone companies of Bell Atlantic Corporation (d/b/a Verizon Communications), including telephone companies formerly affiliated with GTE Corporation, specifically: Bell Atlantic- Delaware, Inc., Bell Atlantic- Maryland, Inc., Bell Atlantic- New Jersey, Inc., Bell Atlantic- Pennsylvania, Inc., Bell Atlantic- Virginia, Inc., Bell Atlantic- Washington, D.C., Inc., Bell Atlantic- West Virginia, Inc., Contel of Minnesota, Inc., Contel of the South, Inc., GTE Alaska Incorporated, GTE Arkansas Incorporated, GTE California Incorporated, GTE Midwest Incorporated, GTE Southwest Incorporated, The Micronesian Telecommunications Corporation, New England Telephone and Telegraph Company, New York Telephone Company, Verizon Florida Inc., Verizon Hawaii Inc., Verizon North Inc., Verizon Northwest Inc., Verizon South Inc., Verizon West Coast (Verizon).

WorldCom, Inc. (WorldCom)

Replies to Comments in Support of and/or Opposition to Fee Order Petitions were filed by:

American Electric Power Corporation, Commonwealth Edison Company and Duke Energy Corporation (American Electric)

National Cable Television Association (NCTA)

Southern Company Services, Inc., on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Savannah Electric and Power Company (Southern Co.)

The United States Telecom Association (USTA) filed a *Fee Order Reconsideration Reply* after the deadline for timely filing. No new arguments or issues were raised in that *Fee Order Reconsideration Reply* and we have considered the comments contained therein in the interest of having a full record reflected in the *Reconsideration Order*.

APPENDIX C
List of Parties Filing in *Telecom Order* Reconsideration Proceeding

Petitions for Reconsideration and/or Clarification of the Telecom Order were filed by:

Bell Atlantic (Bell Atlantic)
ICG Communications (ICG)
MCI Telecommunications Corporation (MCI)
National Cable Television Association, Cable Telecommunications Association,
Texas Cable & Telecommunications Association, Cable Television Association of Georgia,
South Carolina Cable Television Association, Cable Television Association of Maryland,
Delaware and the District of Columbia, Mississippi Cable Telecommunications
Association, Mid-America Cable Telecommunications Association, Kansas Cable
Telecommunications Association, Jones Intercable, Inc., Charter Communications, Greater
Media, Inc., Prime Cable, Rifkin & Associates, TCA Cable TV, Inc., and The Helicon
Corporation (NCTA)
SBC Communications Inc. (SBC)
Teligent
United States Telephone Association (USTA)
United Telecom Council and the Edison Electric Institute (“UTC/EEI”)
U S West, Inc. (U S West)

Comments in Support of or in Opposition to Telecom Order Petitions were filed by:

Adelphia and Lenfest Communications (Adelphia and Lenfest)
Ameritech
AT&T Corp. (AT&T)
Bell Atlantic (Bell Atlantic)
BellSouth Corporation (BellSouth)
Edison Electric Institute and UTC, the Telecommunications Association (UTC/EEI)
GTE Service Corporation (GTE)
Joint Cable Parties: Texas Cable & Telecommunications Association; Cable Telecommunications
Association of Maryland, Delaware & District of Columbia; Mid-American Cable
Telecommunications Association, Jones Intercable, Inc.; Helicon, Inc.; and Rifkin &
Associates (Joint Cable Parties)
MCI Telecommunications Corporation (MCI)
National Cable Television Association, Cable Telecommunications Association,
Texas Cable & Telecommunications Association, Cable Television Association of Georgia,
South Carolina Cable Television Association, Cable Television Association of Maryland,
Delaware and the District of Columbia, Mississippi Cable Telecommunications
Association, Mid-America Cable Telecommunications Association, Kansas Cable
Telecommunications Association, Jones Intercable, Inc., Charter Communications, Greater
Media, Inc., Prime Cable, Rifkin & Associates, TCA Cable TV, Inc., and The Helicon
Corporation (NCTA)

SBC Communications Inc. (SBC)
Sprint Local Telephone Companies (Sprint)
Texas Electric Utilities Company (TUEC)
Time Warner Cable (Time Warner)
WinStar Communications (WinStar)

Reply Comments to Comments in Support of or Opposition to Telecom Order Petitions were filed by:

Association for Local Telecommunications Services (ALTS)
Bell Atlantic (Bell Atlantic)
Edison Electric Institute and UTC, the Telecommunications Association (UTC/EEI)
GTE Service Corporation (GTE)
Joint Cable Parties: Texas Cable & Telecommunications Association; Cable Telecommunications Association of Maryland, Delaware & District of Columbia; Mid-American Cable Telecommunications Association, Jones Intercable, Inc.; Helicon, Inc.; and Rifkin & Associates (Joint Cable Parties)
MCI Telecommunications Corporation (MCI)
National Cable Television Association, Cable Telecommunications Association, Texas Cable & Telecommunications Association, Cable Television Association of Georgia, South Carolina Cable Television Association, Cable Television Association of Maryland, Delaware and the District of Columbia, Mississippi Cable Telecommunications Association, Mid-America Cable Telecommunications Association, Kansas Cable Telecommunications Association, Jones Intercable, Inc., Charter Communications, Greater Media, Inc., Prime Cable, Rifkin & Associates, TCA Cable TV, Inc., and The Helicon Corporation (NCTA)
Teligent
WinStar Communications (WinStar)

Note: If no abbreviation appears in parentheses following the full name of the party, the full name is used in this *Reconsideration Order*.

Appendix D-1
Section 224(d) Cable Formula for Determining Maximum Rate For Use of LEC Utility Poles
Using FCC ARMIS Accounts

$$\text{Maximum Rate per Pole} = \frac{\text{Space Occupied}}{\text{Usable Space}} \times \frac{\text{Net Pole Investment}}{\text{Total Number of Poles}} \times 0.95 \times \text{Carrying Charge Rate}$$

Where:

Space Occupied = 1 foot (presumed, but rebuttable)

Usable Space = 13.5 feet (presumed, but rebuttable)

And:

$$\text{Net Pole Investment} = \frac{\text{Gross Pole Investment (Account 2411)}}{\text{(Account 2411)}} - \frac{\text{Accumulated Depreciation (Account 3100)}}{\text{(Account 3100)(Poles)}} - \frac{\text{Accumulated Deferred Income Taxes (Account 4100+4340)}}{\text{(Account 4100+4340)(Poles)}}$$

$$\text{Carrying Charge Rate} = \text{Administrative} + \text{Maintenance} + \text{Depreciation} + \text{Taxes} + \text{Return}$$

$$\text{Administrative Element} = \frac{\text{Total General and Administrative (Accounts 6710 \& 6720)}}{\frac{\text{Gross Plant Investment (Account 2001)} - \text{Accumulated Depreciation (Account 3100)} - \text{Accumulated Deferred Taxes (Plant) (Accounts 4100 + 4340)}}$$

$$\text{Maintenance Element} = \frac{\text{Account 6411} - \text{Rental Expense (Poles)}}{\text{Net Pole Investment}}$$

$$\text{Depreciation Element} = \frac{\text{Gross Pole Investment (Account 2411)}}{\text{Net Pole Investment}} \times \text{Depreciation Rate for Gross Pole Investment}$$

$$\text{Taxes Element} = \frac{\text{Operating Taxes (Account 7200)}}{\frac{\text{Gross Plant Investment (Account 2001)} - \text{Accumulated Depreciation (Account 3100)} - \text{Accumulated Deferred Taxes (Plant) (Accounts 4100 + 4340)}}$$

$$\text{Return Element} = \text{Applicable Rate of Return (default} \equiv 11.25\%)$$

Appendix D-2
Section 224(d) Cable Formula for Determining Maximum Rate for Use of Electric Utility Poles
Using FERC Form 1 Accounts

$$\text{Maximum Rate per Pole} = \frac{\text{Space Occupied}}{\text{Usable Space}} \times \frac{\text{Net Pole Investment}}{\text{Total Number of Poles}} \times 0.85 \times \text{Carrying Charge Rate}$$

Where:

Space Occupied = 1 foot (presumed, but rebuttable)

Usable Space = 13.5 feet (presumed, but rebuttable)

And:

$$\text{Net Pole Investment} = \text{Gross Pole Investment (Account 364)} - \text{Accumulated Depreciation (Account 108)(Poles)} - \text{Accumulated Deferred Income Taxes (Account 190, 281 - 283)(Poles)}$$

$$\text{Carrying Charge Rate} = \text{Administrative} + \text{Maintenance} + \text{Depreciation} + \text{Taxes} + \text{Return}$$

$$\text{Administrative Element} = \frac{\text{Total General and Administrative}}{\text{Gross Plant Investment (Electric)} - \text{Accumulated Depreciation (Account 108 - Electric)} - \text{Accumulated Deferred Taxes (Electric Plant) (Accounts 190, 281 - 283)}}$$

$$\text{Maintenance Element} = \frac{\text{Account 593}}{\text{Pole Investment in Accounts 364, 365, \& 369} - \text{Depreciation (Poles) Related to Accounts 364, 365, \& 369} - \text{Accumulated Deferred Income Taxes related to Accounts 364, 365, \& 369}}$$

$$\text{Depreciation Element} = \frac{\text{Gross Pole Investment (Account 364)}}{\text{Net Pole Investment}} \times \text{Depreciation Rate for Gross Pole Investment}$$

$$\text{Taxes Element} = \frac{\text{Accounts 408.1 + 409.1 + 410.1 + 411.4} - 411.1}{\text{Gross Plant Investment (Total Plant)} - \text{Accumulated Depreciation (Account 108)} - \text{Accumulated Deferred Taxes (Plant) (Account 190, 281 - 283)}}$$

$$\text{Return Element} = \text{Applicable Rate of Return (default} \approx 11.25\%)$$

Appendix E-1
Section 224(e) Telecom Formula for Determining Maximum Rate For Use of LEC Utility Poles
Using FCC ARMIS Accounts

$$\text{Maximum Rate} = \left[\frac{\left(\text{Space Occupied} \right) + \left(\frac{2}{3} \times \frac{\text{Unusable Space}}{\text{No. of Attaching Entities}} \right)}{\text{Pole Height}} \right] \times \frac{\text{Net Pole Investment}}{\text{Number of Poles}} \times \left[\text{Carrying Charge Rate} \right]$$

Where:

Space Occupied = 1 foot (presumed, but rebuttable)

Unusable Space = 24 feet (presumed, but rebuttable)

Number of Attaching Entities = 3 (non - urbanized) and 5 (urbanized) (presumed, but rebuttable)

Pole Height = 37.5 feet (average, presumed, but rebuttable)

And:

$$\text{Net Pole Investment} = \frac{\text{Gross Pole Investment}}{\text{(Account 2411)}} - \frac{\text{Accumulated Depreciation}}{\text{(Account 3100)(Poles)}} - \frac{\text{Accumulated Deferred Income Taxes}}{\text{(Account 4100 + 4340)(Poles)}}$$

$$\text{Carrying Charge Rate} = \text{Administrative} + \text{Maintenance} + \text{Depreciation} + \text{Taxes} + \text{Return}$$

$$\text{Administrative Element} = \frac{\text{Total General and Administrative (Accounts 6710 \& 6720)}}{\frac{\text{Gross Plant Investment}}{\text{(Account 2001)}} - \frac{\text{Accumulated Depreciation}}{\text{(Account 3100)}} - \frac{\text{Accumulated Deferred Taxes (Plant)}}{\text{(Accounts 4100 + 4340)}}$$

$$\text{Maintenance Element} = \frac{\text{Account 6411} - \text{Rental Expense (Poles)}}{\text{Net Pole Investment}}$$

$$\text{Depreciation Element} = \frac{\text{Gross Pole Investment (Account 2411)}}{\text{Net Pole Investment}} \times \text{Depreciation Rate for Gross Pole Investment}$$

$$\text{Taxes Element} = \frac{\text{Operating Taxes (Account 7200)}}{\frac{\text{Gross Plant Investment}}{\text{(Account 2001)}} - \frac{\text{Accumulated Depreciation}}{\text{(Account 3100)}} - \frac{\text{Accumulated Deferred Taxes (Plant)}}{\text{(Accounts 4100 + 4340)}}$$

$$\text{Return Element} = \text{Applicable Rate of Return (default} \approx 11.25\%)$$

Appendix E-2
Section 224(e) Telecom Formula for Determining Maximum Rate For Use of Electric Utility Poles
Using FERC Form 1 Accounts

$$\text{Maximum Rate} = \left[\frac{\left(\text{Space Occupied} \right) + \left(\frac{2}{3} \times \frac{\text{Unusable Space}}{\text{No. of Attaching Entities}} \right)}{\text{Pole Height}} \right] \times \frac{\text{Net Pole Investment}}{\text{Number of Poles}} \times \left[\text{Carrying Charge Rate} \right]$$

Where:

Space Occupied = 1 foot (presumed, but rebuttable)

Unusable Space = 24 feet (presumed, but rebuttable)

Number of Attaching Entities = 3 (non - urbanized) and 5 (urbanized) (presumed, but rebuttable)

Pole Height = 37.5 feet (average, presumed, but rebuttable)

$$\text{Net Pole Investment} = \text{Gross Pole Investment (Account 364)} - \text{Accumulated Depreciation (Account 108)/(Poles)} - \text{Accumulated Deferred Income Taxes (Account 190, 281-283)/(Poles)}$$

Carrying Charge Rate = Administrative + Maintenance + Depreciation + Taxes + Return

$$\text{Administrative Element} = \frac{\text{Total General and Administrative}}{\text{Gross Plant Investment (Electric)} - \text{Accumulated Depreciation (Account 108)} - \text{Accumulated Deferred Taxes (Plant)(Accounts 190, 281 - 283)}}$$

$$\text{Maintenance Element} = \frac{\text{Account 593}}{\text{Pole Investment in Accounts 364, 365, \& 369} - \text{Depreciation (Poles) Related to Accounts 364, 365, \& 369} - \text{Accumulated Deferred Income Taxes related to Accounts 364, 365, \& 369}}$$

$$\text{Depreciation Element} = \frac{\text{Gross Pole Investment (Account 364)}}{\text{Net Pole Investment}} \times \text{Depreciation Rate for Gross Pole Investment}$$

$$\text{Taxes Element} = \frac{\text{Accounts 408.1 + 409.1 + 410.1 + 411.4 - 411.1}}{\text{Gross Plant Investment (Total Plant)} - \text{Accumulated Depreciation (Account 108)} - \text{Accumulated Deferred Taxes (Plant) (Account 190, 281 - 283)}}$$

Return Element = Applicable Rate of Return (default ≅ 11.25%)

**Appendix F-1
Formula for Determining Maximum Rate for Use of LEC Utility Conduit
Using FCC ARMIS Accounts**

$$\text{Maximum Rate per Linear ft./m.} = \left[\frac{1}{\text{No. of Ducts}} \times \frac{1 \text{ Duct}}{\text{No. of Inner Ducts}} \right] \times \left[\frac{\text{No. of Ducts}}{\text{System Duct Length (ft./m.)}} \times \frac{\text{Net Conduit Investment}}{\text{System Duct Length (ft./m.)}} \right] \times \text{Carrying Charge Rate}$$

(Percentage of Conduit Capacity) (Net Linear Cost of a Conduit)

simplified as:

$$\text{Maximum Rate per Linear ft./m.} = \frac{1 \text{ Duct}}{\text{No. of Inner Ducts}} \times \frac{\text{Net Conduit Investment}}{\text{System Duct Length (ft./m.)}} \times \text{Carrying Charge Rate}$$

Where:

$$\text{Net Conduit Investment} = \text{Gross Conduit Investment} - \frac{\text{Accumulated Depreciation}}{\text{(Conduit)}} - \frac{\text{Accumulated Deferred Income Taxes}}{\text{(Conduit)}}$$

and

$$\text{Carrying Charge Rate} = \text{Administrative} + \text{Maintenance} + \text{Depreciation} + \text{Taxes} + \text{Return}$$

The Carrying Charge Rate reflects the costs incurred by the utility in owning and maintaining conduit and other pole attachment infrastructure regardless of the presence of pole attachments. To help calculate the Carrying Charge Rate, we developed formulas that relate each of these components to the utility's conduit investment. The Carrying Charge Rate used in the conduit formula is the same as used in the pole formula.

$$\text{Maximum Rate} = \frac{\text{Percentage of Conduit Capacity Occupied}}{\text{Percentage of Conduit Capacity Occupied}} \times \frac{\text{Net Linear Cost of Conduit}}{\text{Net Linear Cost of Conduit}} \times \text{Carrying Charge Rate}$$

Where:

$$\frac{\text{Percentage of Conduit Capacity Occupied}}{\text{Percentage of Conduit Capacity Occupied}} = \frac{1}{\text{Number of Inner Ducts } (\geq 2)} \times \frac{1}{\text{Number of Ducts in Conduit}}$$

$$\frac{\text{Net Linear Cost of Conduit}}{\text{Net Linear Cost of Conduit}} = \frac{\text{Number of Ducts in Conduit}}{\text{Number of Ducts in Conduit}} \times \frac{\text{Net Conduit Investment}}{\text{Total Conduit System Duct Length (ft. or m.)}} \text{ OR } = \frac{\text{Net Conduit Investment}}{\text{Total Length of Conduit in System}}$$

$$\text{Net Conduit Investment} = \frac{\text{Gross Conduit Investment (Account 2441)} - \text{Accumulated Depreciation (Account 3100)(Conduit)} - \text{Accumulated Deferred Income Taxes (Account 4100 + 4340)(Conduit)}}{1}$$

Carrying Charge Rate = Administrative + Maintenance + Depreciation + Taxes + Return

$$\text{Administrative Element} = \frac{\text{Total General and Administrative Expenses (Accounts 6710 \& 6720)}}{\text{Gross Plant Investment (Account 2001)} - \text{Accumulated Depreciation (Account 3100)} - \text{Taxes (Plant) (Accounts 4100 + 4340)}}$$

$$\text{Maintenance Element} = \frac{\text{Conduit Maintenance Expense (Account 6441)}}{\text{Net Conduit Investment}}$$

$$\text{Depreciation Element} = \frac{\text{Gross Conduit Investment (Account 2441)}}{\text{Net Conduit Investment}} \times \text{Depreciation Rate for Conduit}$$

$$\text{Taxes Element} = \frac{\text{Operating Taxes (Account 7200)}}{\text{Gross Plant Investment (Account 2001)} - \text{Accumulated Depreciation (Account 3100)} - \text{Accumulated Deferred Taxes (Plant) (Accounts 4100 + 4340)}}$$

Return Element = Applicable Rate of Return (default = 11.25%)

Appendix F-2
Formula for Determining Maximum Rate for Use of Electric Utility Conduit
Using FERC Form 1 Accounts

$$\text{Maximum Rate per Linear ft./m.} = \left[\frac{1}{\text{No. of Ducts}} \times \frac{1 \text{ Duct}}{\text{No. of Inner Ducts}} \right] \times \left[\frac{\text{No. of Ducts}}{\text{System Duct Length (ft./m.)}} \times \frac{\text{Net Conduit Investment}}{\text{System Duct Length (ft./m.)}} \right] \times \text{Carrying Charge Rate}$$

(Percentage of Conduit Capacity) (Net Linear Cost of a Conduit)

Simplified as:

$$\text{Maximum Rate per Linear ft./m.} = \frac{1 \text{ Duct}}{\text{No. of Inner Ducts}} \times \frac{\text{Net Conduit Investment}}{\text{System Duct Length (ft./m.)}} \times \text{Carrying Charge Rate}$$

Where:

$$\text{Net Conduit Investment} = \text{Gross Conduit Investment} - \frac{\text{Accumulated Depreciation}}{\text{(Conduit)}} - \frac{\text{Accumulated Deferred Income Taxes}}{\text{(Conduit)}}$$

And

$$\text{Carrying Charges} = \text{Administrative} + \text{Maintenance} + \text{Depreciation} + \text{Taxes} + \text{Return}$$

The Carrying Charge Rate reflects the costs incurred by the utility in owning and maintaining conduit and other pole attachment infrastructure regardless of the presence of pole attachments. To help calculate the Carrying Charge Rate, we developed formulas that relate each of these components to the utility's conduit investment. The Carrying Charge Rate used in the conduit formula is the same as used in the pole formula.

$$\text{Maximum Rate} = \frac{\text{Percentage of Conduit Capacity Occupied}}{\text{Conduit Capacity}} \times \frac{\text{Net Linear Cost of Conduit}}{\text{of Conduit}} \times \text{Carrying Charge Rate}$$

Where:

$$\frac{\text{Percentage of Conduit Capacity Occupied}}{\text{Occupied}} = \frac{1}{\text{Number of Inner Ducts } (\geq 2)} \times \frac{1}{\text{Number of Ducts in Conduit}}$$

$$\text{Net Linear Cost of Conduit} = \frac{\text{Number of Ducts in Conduit} \times \text{Net Conduit Investment}}{\text{Total Conduit System Duct Length (ft. or m.)}} \text{ OR } = \frac{\text{Net Conduit Investment}}{\text{Total Length of Conduit in System}}$$

$$\text{Net Conduit Investment} = \frac{\text{Gross Conduit Investment (Account 366)}}{\text{Accumulated Depreciation (Conduit)}} - \frac{\text{Accumulated Deferred Income Taxes (conduit)}}{\text{Income Taxes (conduit)}}$$

Carrying Charge Rate = Administrative + Maintenance + Depreciation + Taxes + Return

$$\text{Administrative Element} = \frac{\text{Total General and Administrative Expenses}}{\frac{\text{Gross Plant Investment (Electric)} - \text{Accumulated Depreciation (Electric Plant)} - \text{Accumulated Deferred Taxes (Electric Plant)}}{\text{Account 594}}}$$

$$\text{Maintenance Element} = \frac{\text{Account 594}}{\frac{\text{Conduit Investment in Accounts 366, 367, \& 369} - \text{Depreciation (Conduit) in Accounts 366, 367, \& 369} - \text{Accumulated Deferred Income Taxes related to Accounts 366, 367, \& 369}}{\text{Account 594}}}$$

$$\text{Depreciation Element} = \frac{\text{Gross Conduit Investment (Account 366)}}{\text{Net Conduit Investment}} \times \text{Depreciation Rate for Conduit}$$

$$\text{Taxes Element} = \frac{\text{Accounts 408.1 + 409.1 + 410.1 + 411.4 - 411.1}}{\frac{\text{Gross Plant Investment (Total Plant)} - \text{Accumulated Depreciation (Plant)} - \text{Accumulated Deferred Taxes (Plant)}}{\text{Account 594}}}$$

Return Element = Applicable Rate of Return (default = 11.25%)