

ARKANSAS PUBLIC SERVICE COMMISSION



POLE ATTACHMENT RULES

April 17, 2008

POLE ATTACHMENT RULES

ADMINISTRATIVE HISTORY

<u>Docket</u>	<u>Date</u>	<u>Order No.</u>	<u>Subject Matter of Docket / Order</u>
08-XXX-R	XX-XX-08	X	Adopts rules relating to the rates, terms, and conditions upon which a Public Utility pole owner shall provide access for a Pole Attachment to comply with Ark. Code Ann. §23-4-1001 through §23-4-1006 (Act 740 of 2007).

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DEFINITIONS

Affiliate

A person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

Attaching Entity

An electric service provider, telecommunications provider, cable television service provider, Internet access service provider, or other information services provider to the extent that its anticipated and actual Pole Attachments are regulated by these Rules. The term "Attaching Entity" does not include a Public Utility pole owner to the extent that it makes Pole Attachments to its own poles, Ducts or Conduits.

Conduit

A structure containing one or more Ducts, usually placed in the ground, in which cables or wires may be installed.

Duct

A single enclosed raceway for conductors, cable and/or wire.

Inner-Duct

A Duct-like raceway smaller than a Duct that is inserted into a Duct so that the Duct may carry multiple wires or cables.

Insufficient Capacity

The inability of a Public Utility pole owner to accommodate a new Pole Attachment or Overlashing without performing Make-Ready Work.

Make-Ready Work

Engineering or construction activities necessary to make a pole, Conduit, or other support equipment available for a new Pole Attachment, Pole Attachment modifications, or additional facilities.

NESC

The National Electrical Safety Code.

Overlashing

The placement of fiber optic cable or other communications facilities on existing facilities that already are attached within the Usable Space allocated to an existing Attaching Entity. Overlashing is not considered a separate Pole Attachment.

Pole Attachment

As defined in Ark. Code Ann. § 23-4-1001(1).

Pole Attachment Audit

Any audit done at the option of the Public Utility pole owner to count the number of Pole Attachments by one or more Attaching Entities.

Public Utility

As defined in Ark. Code Ann. § 23-4-1001(2).

Safety Inspection

Any inspection done at the option of the Public Utility pole owner to ensure Pole Attachments comply with applicable safety standards.

Safety Space

A 40-inch (three and one-third feet) space, or such other amount as required by the NESC or the engineering and design standards of the Public Utility pole owner, located between the areas to which electric conductors and communication circuitry may be attached.

Service Drop

A connection from distribution facilities to the building or structure being served.

Unusable Space

The Unusable Space is equal to the length of the pole minus the Usable Space. Safety Space is included in Unusable Space.

Usable Space

The space available for circuit, communications, coaxial cable, fiber optic, or electrical conductor Pole Attachments, by Public Utilities, Attaching Entities and other attachers.

SECTION 1. GENERAL PROVISIONS

Rule 1.01. Authority

These Rules are promulgated pursuant to, and in accordance with, the provisions of Act 740 of 2007 as codified in Ark. Code Ann. §23-4-1001 through §23-4-1006.

Rule 1.02. Applicability

These Rules apply to Public Utilities and Attaching Entities as defined in these Rules.

Rule 1.03. Purpose and Scope

These Rules govern the Commission's regulation of the rates, terms and conditions upon which a Public Utility shall provide nondiscriminatory access for a Pole Attachment, including the procedures necessary and appropriate to hear and resolve complaints arising from the failure or refusal to provide access, the inability of a Public Utility and an entity seeking access for a Pole Attachment to reach a voluntary negotiated written agreement, and disputes over implementation of an existing contract.

Rule 1.04. Negotiated Agreements

Nothing in these Rules prevents or limits the ability of a Public Utility, an electric utility, a telecommunications provider, a cable television service, or an internet access service to enter a voluntarily negotiated written agreement regarding the rates, terms, and conditions upon which access for a Pole Attachment is provided. Voluntary negotiated agreements are preferred and encouraged by the Commission. Nothing in these rules should be interpreted to supersede or modify any rate, term, or condition of a voluntarily negotiated written agreement.

SECTION 2. ACCESS AND NOTIFICATION

Rule 2.01. Contracts and Permits

- A. Prior to attaching to a pole, the Public Utility pole owner and the Attaching Entity shall have a written contract that specifies the rates, terms, and conditions for Pole Attachments on the poles, Ducts, or Conduits of the Public Utility pole owner.
- B. An Attaching Entity shall have a permit from the Public Utility pole owner, except as provided in Rule 2.01.C., for each pole, Duct, or Conduit on (or in) which the Attaching Entity has Pole Attachments, including a permit covering any Overlashing, subject to the provisions of Rule 2.03 and Rule 2.04.
- C. An Attaching Entity may install a Service Drop without first obtaining a separate permit for that Service Drop if the Service Drop can be installed by the Attaching Entity in compliance with Rule 3.01.A.(1). The Attaching Entity shall account for and/or report

the installation of Service Drops in compliance with the written contract for service as required by Rule 2.01.A.

- D. Prior to the assignment, in whole or in part, of an existing Pole Attachment agreement, an Attaching Entity shall notify the Public Utility pole owner of the assignment.
- E. The Public Utility pole owner shall notify all affected Attaching Entities of the sale or transfer of ownership of any pole.
- F. The Public Utility pole owner and the Attaching Entity shall exchange and maintain current contact information for both routine business and emergency notification, including but not limited to, name, telephone number, email address, and street address.

Rule 2.02. Request for Access

- A. Requests to a Public Utility pole owner for a Pole Attachment or Overlapping permit shall be in writing.
- B. An Attaching Entity wishing to overlap facilities shall submit a written request to the Public Utility pole owner identifying the size and type of facilities to be overlapped, the size and type of facilities to be added, the poles over which such facilities will be overlapped, and when such facilities will be overlapped.
- C. The Public Utility pole owner shall identify and separately account for the incremental engineering and administrative costs associated with a request for a Pole Attachment or Overlapping permit and the cost of estimating Make-Ready Work. The Attaching Entity shall pay to the Public Utility pole owner any incremental engineering and administrative costs incurred by the Public Utility pole owner in connection with a request for a Pole Attachment or Overlapping permit, regardless of whether the Attaching Entity's request is rejected or withdrawn by the Attaching Entity.
- D. The Public Utility pole owner shall approve, deny, or conditionally approve with Make-Ready Work provisions the request for a Pole Attachment or Overlapping in writing as soon as practical, but in no event later than 45 days after receipt of the request, except in extraordinary circumstances or as mutually agreed.

Rule 2.03. Make-Ready Work Estimate

- A. If the Public Utility pole owner grants an application for a Pole Attachment or Overlapping that requires Make-Ready Work, the Public Utility pole owner shall provide a detailed list of Make-Ready Work, along with a cost estimate, within the same period required to respond in Rule 2.02.D.
- B. The Make-Ready Work estimate shall include a description of the work, the estimated number of days to complete, and a detailed list of the activities and materials to be used in the Make-Ready Work.

- C. Within 15 days of the receipt of the Make-Ready Work estimate, the Attaching Entity shall provide a written response either accepting the estimate and making payment arrangements as provided in its contract with the Public Utility pole owner, or if the Attaching Entity has any disagreement with the Make-Ready Work estimate or the estimated number of days to complete the work, it shall note any areas of disagreement.
- D. If the Public Utility pole owner approves an application that requires Make-Ready Work, the Public Utility pole owner shall perform the Make-Ready Work at the Attaching Entity's expense.
- E. Make-Ready Work shall be completed in a timely manner and at a reasonable cost. Where Make-Ready Work will require more than 45 days from the date payment is received to complete, the Public Utility pole owner and the Attaching Entity may negotiate other mutually satisfactory conditions to complete the Make-Ready Work.

Rule 2.04. Denial of Access

- A. A Public Utility pole owner may deny access for a Pole Attachment on a nondiscriminatory basis where there is Insufficient Capacity, for reasons of safety, reliability, generally applicable engineering standards as referenced in Rule 3.01.A., or failure to comply with the requirements of Rule 3.01.
- B. A Public Utility pole owner may deny access for a Pole Attachment to all transmission facilities on a nondiscriminatory basis.
- C. The Public Utility pole owner shall confirm in writing the denial of access for Pole Attachment or Overlapping as soon as practicable, but in no event later than 45 days following receipt of the request.
- D. The Public Utility pole owner's denial of access shall be specific, shall include all relevant evidence and information supporting its denial, and shall explain how such evidence and information relate to denial of access consistent with the provisions of Rule 2.04.A and B.

Rule 2.05. Notification

- A. Except as provided for in Rule 2.05.B., a Public Utility pole owner shall provide an Attaching Entity no less than 60 days written notice prior to:
 - (1) Removal or abandonment of the Public Utility pole owner's facilities, except in situations outside the Public Utility pole owner's control.
 - (2) Any modification of the Public Utility pole owner's facilities other than routine maintenance or modification in response to emergencies or in situations outside the Public Utility pole owner's control.

- B. If removal or modification of facilities is required because of imminent danger to life or property, a Public Utility pole owner shall have discretion to make that removal or modification without advance notice, and shall provide verbal notice and subsequently confirm in writing whatever action was taken as soon as practicable but in no event later than 10 days thereafter, except in extraordinary circumstances.

SECTION 3. SAFETY

Rule 3.01. Safety Responsibilities

An Attaching Entity shall:

- A. Install and maintain its Pole Attachments and any Overlashing in compliance with: the current issues of the NESC; codes, rules or regulations of any federal, state or local governing body having jurisdiction; and the Public Utility pole owner's applicable engineering standards. Construction completed prior to the effective date of the current issues of the NESC shall be in accordance with the standards in effect at the time of construction.
- B. Remove idle facilities promptly after their replacement.
- C. Repair, disconnect, isolate or otherwise correct any violation that poses an imminent danger to life or property immediately after discovery.
- D. Upon receipt of a Public Utility pole owner's notification of any safety violation, correct the safety violation within a reasonable amount of time, but no later than 10 days, except in extraordinary circumstances or as mutually agreed.
- E. Transfer or remove its Pole Attachments from utility poles that have been abandoned by the Public Utility pole owner within 60 days of being notified of such abandonment.

Rule 3.02. Safety Inspections

- A. Prior to engaging in a Safety Inspection, the Public Utility pole owner shall provide 60 days advance written notice to the Attaching Entities.
- B. All Attaching Entities shall participate in a joint Safety Inspection with the Public Utility pole owner, with each Attaching Entity bearing its own expense.

Rule 3.03. Pole Attachment Audits

- A. A Pole Attachment Audit may be performed by the Public Utility pole owner.

- B. Prior to engaging in a Pole Attachment Audit, the Public Utility pole owner shall provide 60 days advance written notice to the Attaching Entities.
- C. All Attaching Entities shall participate in a joint Pole Attachment Audit with the Public Utility pole owner, with each Attaching Entity bearing its own expense.
- D. The Public Utility pole owner's costs associated with a Pole Attachment Audit shall be paid by the Attaching Entities on a pro-rata basis, based on the number of poles each Attaching Entity occupies.

SECTION 4. RATE FORMULAS AND MODIFICATION COSTS

Rule 4.01. Pole Attachment Rate Formula

- A. When the parties fail to reach a voluntarily negotiated written agreement regarding the Pole Attachment/Conduit rate and the complaint procedures under Section 5 of these Rules are invoked, the Commission will apply the formula in Attachment A of the Rules for determining the maximum just and reasonable rate.
- B. The investments and expenses used in the Pole Attachment rate formula shall be based on historical or original cost.
- C. The Public Utility pole owner's net pole investment shall be adjusted to eliminate the investment in crossarms and other costs not associated with owning a pole. There is a rebuttable presumption that these costs are equal to 15% of net investment for electric utilities and 5% for telephone companies.
- D. When the net pole investment is zero or negative, the gross pole investment may be substituted for the net pole investment in Attachment A.
- E. The following rebuttable presumptions are used in the calculation of the space factor:
 - (1) The height of a pole is equal to 37.5 feet.
 - (2) Usable Space on the pole is equal to 10.17 feet.
 - (3) Unusable Space on the pole is equal to 27.33 feet, which includes the Safety Space.
 - (4) Occupied Usable Space is:
 - a. Cable television service is equal to 1 foot.
 - b. Telecommunications service is equal to 2 feet.

- c. Electric service is equal to 4 feet.
 - d. Other unspecified Public Utility pole owner space is equal to 3.17 feet.
- (5) The presumptive average number of attachers on a pole is equal to three, which includes the Public Utility pole owner. However, each Public Utility pole owner may establish its own average number of attachers for its service area as follows:
- a. Each Public Utility pole owner shall, upon request, provide all Attaching Entities and all entities seeking access the methodology and information upon which the Public Utility pole owner's average number of attachers is based.
 - b. Each Public Utility pole owner is required to exercise good faith in establishing and updating its average number of attachers.
 - c. The average number of attachers may be challenged by an Attaching Entity by submitting information demonstrating why the Public Utility pole owner's average is incorrect. The Attaching Entity should also submit what it believes should be the average and the methodology used. Where a complete inspection is impractical, a statistically sound survey may be submitted.
 - d. Upon successful challenge of the existing average number of attachers, the resulting data determined shall be used by the utility as the number of attachers within the rate formula.

These presumptions may be rebutted by either the Public Utility pole owner or the Attaching Entity.

Rule 4.02. Conduit Rate Formula

- A. When the parties fail to reach a voluntarily negotiated written agreement and the Commission's complaint procedures under Section 5 are invoked, the Commission will apply the formula in Attachment A of the Rules for determining the maximum just and reasonable rate.
- B. The investments and expenses used in the Conduit rate formula shall be based on historical or original cost.
- C. In the calculation of the percentage of Conduit capacity occupied, if no Inner-Duct is installed in the Conduit, the number of Inner-Ducts is presumed to be 2.

Rule 4.03. Modification Costs

The owners of poles or Conduits shall charge Attaching Entities separately for the following:

- A. Make-Ready Work pursuant to Rule 2.03.D.
- B. Excess Height.
 - (1) Solely Assigned; Excess Height. When an Attaching Entity, including the Public Utility pole owner, requires additional space which is not available on that pole, and the pole must be replaced by a taller pole, the entity causing the need for replacement shall pay for the replacement cost of such pole, including the cost of removing the old pole, less any salvage value plus the costs of transferring the facilities of all other attachers.
 - (2) Mutual Assignment. When a taller pole is required by two or more Attaching Entities, including the Public Utility pole owner, the costs identified in Rule 4.03.B.(1) shall be shared equally among the entities requiring the replacement.

Rule 4.04. Imputation of Rates – Affiliates

A Public Utility pole owner that engages in the provision of competitive telecommunications services, cable services, or internet services shall impute to its costs of providing such services an amount equal to the Pole Attachment rate for which such company would be liable under Rule 4.01.

SECTION 5. COMPLAINT PROCEDURES

Rule 5.01. Time for Resolution

The Commission shall resolve any complaint or dispute filed in accordance with these Rules within 180 days after the complaint is filed except that the Commission, for good cause shown, may extend the time for resolution up to 360 days.

Rule 5.02. Informal Resolution

- A. Every complainant shall, before filing a complaint, make a good faith effort to informally resolve with the respondent the situation complained of.
- B. In cases involving the dispute of a rate, the Attaching Entity shall request the rate data from the Public Utility pole owner. The Public Utility pole owner shall, within 30 calendar days of the request, provide the data.

Rule 5.03. Filing Requirements

The complaint shall be filed in compliance with the Commission's Rules of Practice and Procedure.

- A. The complaint shall be supported by testimony and exhibits.

- B. Workpapers and documentation shall be provided to all parties that are sufficient to support all information required by this Section.
- C. The complaint shall be accompanied by a copy of the Pole Attachment agreement, if any, between the Attaching Entity and the Public Utility pole owner.
- D. The Public Utility pole owner or Attaching Entity shall state with specificity in its complaint the section(s) of these Rules or Ark. Code Ann. §23-4-1001 *et. seq.* that is claimed to be violated, or, if a written Pole Attachment agreement already exists, the rate, term, or condition of that agreement that is claimed to have been violated, and shall specify all information and argument relied upon to justify said claim.
- E. The complaint shall include the data and information necessary to support the claim, including where applicable, the data and information necessary to calculate the rate pursuant to Appendix A.
- F. No complaint filed by an Attaching Entity shall be dismissed for failure to provide the information and data required in Rule 5.03.E., if the Public Utility pole owner has failed to provide such information and data after such reasonable request.
- G. In a case where an Attaching Entity claims that it has been denied access to a pole, Duct, or Conduit despite a written request for such access, the complaint shall include the data and information necessary to support the claim, including:
 - (1) The reasons given for the denial of access to the Public Utility pole owner's poles, Ducts or Conduits;
 - (2) The basis for the complainant's claim that the denial of access is improper;
 - (3) The remedy sought by the complainant;
 - (4) A copy of the written request to the Public Utility pole owner for access to its poles, Ducts or Conduits; and
 - (5) A copy of the Public Utility pole owner's response to the written request including all information given by the Public Utility pole owner to support its denial of access. A complaint alleging improper denial of access will not be dismissed if the complainant is unable to obtain a Public Utility pole owner's written response, or if the Public Utility pole owner denies the complainant any other information reasonably needed to establish a prima facie case.
- H. The source of information required under this Section shall be identified. The complainant shall also specify any other information and argument relied upon to attempt to establish that a rate, term, or condition is not just and reasonable.

- I. The complaint shall include a brief summary of all steps taken to resolve the problem prior to filing.

Rule 5.04. Response and Reply

- A. Respondent shall have 20 days from the date the complaint filed within which to file a response.
- B. Complainant shall have 20 days from the date the response filed within which to file a reply.
- C. The response shall address the complainant's allegations. Factual allegations shall be supported by testimony of a person or persons with actual knowledge of the facts and exhibits shall be verified by the person who prepares them.

**Pole Attachment Rate Formula
And
Conduit Rate Formula**

Appendix A

**Pole Attachment Rate Formula
Local Exchange Carrier Pole Owners
FCC Part 32 Accounts**

$$\text{Maximum Per Pole Rate} = \text{Space Factor} \times \text{Net Cost of A Bare Pole} \times \text{Carrying Charge Rate}$$

$$\text{Space Factor} = \frac{\text{Occupied Space} + \left[\frac{2}{3} \times \left(\frac{\text{Unusable Space}}{\text{No. of Attachers (including the Public Utility pole owner)}} \right) \right]}{\text{Pole Height}}$$

$$\text{Net Cost of A Bare Pole} = \frac{\text{Net Pole Investment} \times 95\%}{\text{Total Number of Poles}}$$

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

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

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

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

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

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

$$\text{Return Element} = 8.00\%$$

Pole Attachment Rate Formula
Electric Utility Pole Owners
FERC Part 101 Accounts

$$\text{Maximum Per Pole Rate} = \text{Space Factor} \times \text{Net Cost of A Bare Pole} \times \text{Carrying Charge Rate}$$

$$\text{Space Factor} = \frac{\text{Occupied Space} + \left[\frac{2}{3} \times \left(\frac{\text{Unusable Space}}{\text{No. of Attachers (including the Public Utility pole owner)}} \right) \right]}{\text{Pole Height}}$$

$$\text{Net Cost of A Bare Pole} = \frac{\text{Net Pole Investment} \times 85\%}{\text{Total Number of Poles}}$$

$$\text{Net Pole Investment} = \frac{\text{Gross Pole Investment (Account 364)} - \text{Accumulated Depreciation (Account 108)(Poles)} - \text{Accumulated Deferred Income Taxes (Account 190, 281 - 283)(Poles)}}{1}$$

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

$$\text{Administrative Element} = \frac{\text{Total General and Administrative (per FERC Form 1)}}{\text{Gross Plant Investment (per FERC Form 1) - Accumulated Depreciation (Account 108) - Accumulated Deferred Taxes (Plant) (Account 190, 281 - 283)}}$$

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

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

$$\text{Taxes Element} = \frac{\text{Accounts 408.1, + 409.1 + 410.1 + 411.4 - 411.1}}{\text{Gross Plant Investment (per FERC Form 1) - Accumulated Depreciation (Account 108) - Accumulated Deferred Taxes (Plant)(Account 190, 281-283)}}$$

$$\text{Return Element} = 8.00\%$$

Conduit Rate Formula
Local Exchange Carrier Conduit Owners
FCC Part 32 Accounts

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

$$\frac{\text{Percentage of Conduit Capacity Occupied}}{\text{Percentage of Conduit Capacity Occupied}} = \frac{1 \text{ Duct}}{\text{Number of Inner Ducts}}$$

$$\frac{\text{Net Linear Cost of Conduit}}{\text{Net Linear Cost of Conduit}} = \frac{\text{Net Conduit Investment}}{\text{System Duct Length (ft./m.)}}$$

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

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

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

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

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

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

$$\text{Return Element} = 8.00\%$$

Conduit Rate Formula
Electric Utility Conduit Owners
FERC Part 101 Accounts

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

$$\frac{\text{Percentage of Conduit Capacity Occupied}}{\text{Percentage of Conduit Capacity Occupied}} = \frac{1 \text{ Duct}}{\text{Number of Inner Ducts}}$$

$$\frac{\text{Net Linear Cost of Conduit}}{\text{Net Linear Cost of Conduit}} = \frac{\text{Net Conduit Investment}}{\text{System Duct Length (ft./m.)}}$$

$$\text{Net Conduit Investment} = \frac{\text{Gross Conduit Investment (Account 366)}}{\text{Gross Conduit Investment (Account 366)}} - \frac{\text{Accumulated Depreciation (Account 108)(Conduit)}}{\text{Accumulated Depreciation (Account 108)(Conduit)}} - \frac{\text{Accumulated Deferred Income Taxes (Conduit) (Account 190, 281 - 283)}}{\text{Accumulated Deferred Income Taxes (Conduit) (Account 190, 281 - 283)}}$$

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

$$\text{Administrative Element} = \frac{\text{Total General and Administrative (per FERC Form 1)}}{\text{Gross Plant Investment - Accumulated Depreciation - Accumulated Deferred Taxes (Plant) (Account 190, 281 - 283)}}$$

(per FERC Form 1) (Account 108)

$$\text{Maintenance Element} = \frac{\text{Account 594}}{\text{Conduit Investment in - Depreciation (Conduit) in - Accumulated Deferred Inc. Taxes Related to Accts. 366,367 & 369 Accts. 366,367 & 369 Accts. 366,367 & 369}}$$

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

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

(per FERC Form 1) (Account 108)

$$\text{Return Element} = 8.00\%$$