

1           **D GRAHAM BOTHA, ESQ.**  
2           General Counsel  
3           Guam Power Authority  
4           688 Route 15, Suite 302  
5           Mangilao, Guam 96913  
6           Ph: (671) 648-3203/3002  
7           Fax: (671) 648-3290

8

9           **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

10          IN THE MATTER OF: )           **DOCKET NO. 23-09**  
11          The Application of the Guam Power Authority )  
12          Requesting Approval to Adjust the Power Pole )  
13          Attachment Rate. )           **PETITION FOR CONTRACT REVIEW**  
14          )  
15          )  
16          )

17          **COMES NOW**, the GUAM POWER AUTHORITY (GPA), by and through its counsel  
18          of record, D. GRAHAM BOTHA, ESQ., and hereby files GPA's Petition for the Public Utilities  
19          Commission of Guam to review and approve GPA's request for approval to Adjust the Power  
20          Pole Attachment Rate, as follows:

21

22           **BACKGROUND**

23          The current Guam Power Authority interim pole attachment rate set by the PUC in  
24          January 2011 is \$6.00 per pole per year. The Federal Communication Commission updated the  
25          pole attachment rate in 2015, and GPA now seeks to adjust the pole attachment rate by \$3.00 per  
26          pole per year, from \$6.00 to \$9.00 annually for the next three years. The CCU in Resolution  
27          FY2023-10 has approved GPA's request for approval to Adjust the Power Pole Attachment Rate  
28          from \$6.00 to \$9.00 annually per pole over the next 3 years.

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30           **DISCUSSION**

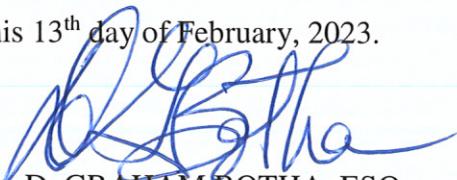
31          GPA hereby petitions the PUC, pursuant to the Contract Review Protocol for the Guam  
32          Power Authority, approved by the PUC, to review and approve and adjustment to the pole  
33          attachment rate. In support of this Petition, GPA hereby provides the PUC with Consolidated  
34          Commission on Utilities (CCU) Resolution No. FY2023-10, which authorizes the General

1 Manager to proceed with the adjustment of the pole attachment rate. Said resolution and its  
2 exhibits are attached herein as Exhibit A, and incorporated by reference herein as if fully set  
3 forth.

4 **CONCLUSION**

5 The PUC should approve GPA's request to adjust the Power Pole attachment rate from  
6 \$6.00 to \$9.00 annually per pole over the next three years. Adjustment of the power pole  
7 attachment rate, since the last interim change in 2011, is reasonable, prudent, and necessary.

8 **RESPECTFULLY SUBMITTED** this 13<sup>th</sup> day of February, 2023.



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11 D. GRAHAM BOTHA, ESQ.  
12 GPA General Counsel  
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## CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority  
P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

### GPA RESOLUTION NO. FY2023-10

#### AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE GUAM PUBLIC UTILITIES COMMISSION TO ADJUST THE POWER POLE ATTACHMENT RATE

WHEREAS, the most common visual elements of the utility industry are the transmission towers and utility power poles delivering electricity, and often these poles are used for transporting other important products and services offered by third parties, such telecommunications, and cable services; and

WHEREAS, the process by which communication and cable companies can collocate its infrastructure on existing utility poles are termed pole attachment; and this reduces the number of poles to be built to accommodate utility services thus reducing the costs to end users by allowing cost share; and

WHEREAS, the Guam Public Utilities Commission (GPUC) is authorized to examine, establish, and modify rates and charges for utility services; and

WHEREAS, in January 2011 the GPUC issued a decision, via GTA Docket 09-04, approving the interim pole attachment rates charged by GPA to all telecommunications companies to be six dollars \$6.00 per pole per year effective January 1, 2011, and the GPUC determined that the rate of \$6.00 per pole to be reasonable as it is within the range of existing national pole attachment rates; and

WHEREAS, in 2011 the GPUC determined it appropriate to postpone consideration of permanent pole attachment rates until the pending Federal Communications Commission rulemaking proceeding regarding pole attachment rate formulas is concluded; and

1  
2       **WHEREAS**, the Federal Communications Commission updated the pole attachment rate  
3 formula in 2015 under FCC 15-151; where FCC adjusted the telecom formula to bring greater  
4 parity between telecom and cable rate formulas and GPA seeks for the adjustment of the current  
5 pole attachment rate by three dollars \$3.00 per pole attachment (\$0.25 cents per month) from six  
6 dollars \$6.00 to nine dollars \$9.00 annually for the next three years; and  
7

8       **WHEREAS**, GPA currently charges pole attachments for about 26,000 poles to five  
9 private telecommunications and cable companies and the proposed rate adjustment projects an  
10 increase of pole attachment revenue by \$6,538 per month and \$78,450 per annum; and  
11

12       **WHEREAS**, the proposed pole attachment rate calculations are included in **Exhibit A** to  
13 this filing; and  
14

15       **WHEREAS**, GPA now is requesting the Consolidated Commission on Utilities to  
16 authorize the Authority to file such petition with the Guam Public Utilities Commission.  
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18       **NOW, BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities  
19 does hereby approve the following:  
20

- 21       1. The General Manager of the Guam Power Authority is authorized to *petition the Guam*  
22           *Public Utilities Commission* to adjust the pole attachment rate by three dollars \$3.00  
23           annual per pole attachment (\$0.25 cents per month) from six dollars \$6.00 to nine dollar  
24           \$9.00 annual per pole attachment for the next three years as shown in **Exhibit A**.  
25
- 26       2. The General Manager of the Guam Power Authority is authorized to implement the  
27           revised pole attachment rate as provided in **Exhibit A**, upon the approval by the Guam  
28           Public Utilities Commission.  
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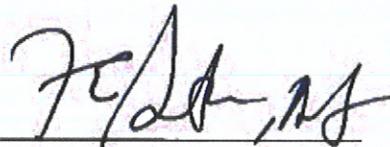
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2  
3       **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption  
4 of this Resolution.

5  
6       **DULY AND REGULARLY ADOPTED**, this 24<sup>th</sup> day of January 2023.  
7  
8

9       Certified by:

10  
11                                    
12       JOSEPH T. DUEÑAS  
13       Chairperson

14       Attested by:

15  
16                                    
17       PEDRO ROY MARTINEZ  
18       Secretary

19       I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on Utilities  
20 (CCU), as evidenced by my signature above, do hereby certify as follows:

21       The foregoing is a full, true and correct copy of the resolution duly adopted at a  
22 regular meeting by the members of the Guam Consolidated Commission on Utilities, duly  
23 and legally held at a place properly noticed and advertised at which meeting a quorum was  
24 present and the members who were present voted as follows:  
25

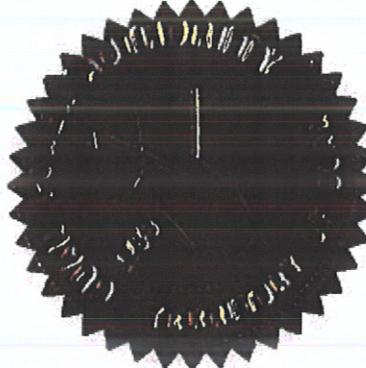
26       Ayes:                      4

27       Nays:                      \_\_\_\_\_

Abstain:                      \_\_\_\_\_

Absent:                      1

Excused





# GUAM POWER AUTHORITY

ATURIDÅT ILEKTRESEDÅT GUAHAN  
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

## Issues for Decision

### Resolution No. FY2023-10:

#### **RELATIVE TO AUTHORIZING GPA TO PETITION THE GUAM PUBLIC UTILITIES COMMISSION TO ADJUST THE POWER POLE ATTACHMENT RATE**

##### **What is the project's objective? Is it necessary and urgent?**

The most common visual elements of the utility industry are the transmission towers and utility power poles delivering electricity, and often these poles are used for transporting other important products and services offered by third parties, such telecommunications, and cable services.

The process by which communication and cable companies can collocate its infrastructure on existing utility poles are termed pole attachment; and this reduces the number of poles to be built to accommodate utility services thus reducing the costs to end users by allowing cost share.

The Guam Public Utilities Commission (GPUC) is authorized to examine, establish, and modify rates and charges for utility services.

in January 2011 the GPUC determined it appropriate to postpone consideration of permanent pole attachment rates until the pending Federal Communications Commission (FCC) rulemaking proceeding regarding pole attachment rate formulas is concluded.

The FCC updated the pole attachment rate formula in 2015 under FCC 15-151; where FCC adjusted the telecom formula to bring greater parity between telecom and cable rate formulas and GPA seeks for the adjustment of the current pole attachment rate.

GPA currently charges pole attachments for about 26,000 poles to five private telecommunications and cable companies and the proposed rate adjustment projects an increase of pole attachment revenue by \$6,538 per month and \$78,450 per annum.

##### **What would it cost?**

GPA seeks for the adjustment of the current pole attachment rate by three dollars (\$3.00) per pole attachment (\$0.25 cents per month) from six dollars (\$6.00) to nine dollars (\$9.00) annually for the next three years.



# Pole Attachments

Rate Calculations

March, 2022



Corporate location:  
Utility Financial Solutions, LLC  
185 Sun Meadow Court  
Holland, MI USA 49424  
(616) 393-9722  
Fax (888) 566-4430

Submitted Respectfully by:  
Mark Beauchamp, CPA, CMA, MBA  
President, Utility Financial Solutions, LLC  
[mbeauchamp@ufsweb.com](mailto:mbeauchamp@ufsweb.com)  
(616) 393-9722

# Pole Attachment Rate Calculation

## Summary of Scope of Services for the Electric Department

Utility Financial Solutions, LLC (UFS) was hired by Guam Power Authority (GPA) to calculate a rate for entities that have made attachments to GPA's poles.

Two basic methodologies for calculating a pole attachment rate are identified by the FCC for regulated utilities and identify the upper limit:

- Telecom Formula - 47 U.S.C. §224(e)
- Cable Formula - 47 U.S.C. §224(d)

These formulae are similar and vary only in the allocation of space under the are available for attachments, the telecom formula allocates costs associated with this area among the attachers.

## Cable Formula

$$Fee = \left( \frac{\text{Space Occupied by Attacher}}{\text{Space Used by All Attachments}} \right) \times (\text{Estimated Annual Pole Cost})$$

- Space Occupied by Attacher is based on increments of 1 foot. The rate calculated in this document is a per foot rate which is typical for most attachments.
- Space Occupied by All Attachments is the total footage of pole available for attachments. The FCC assumes that an average pole of 37.5' has 13.5' feet of usable space for attachments.
- The Estimated Annual Pole Cost is identified as the net cost of a bare pole plus maintenance, depreciation, administration, taxes and return on investment allocation

UFS identified the net cost of a bare pole from detailed pole records provided by GPA. The following table summarizes pole data provided by GPA. "Other" poles were excluded from the analysis.

	Height	Pole Summary					Total
		35	45	50	55		
Concrete							
Count		8,196	17,178	313	1,527		27,214
Cost	\$	16,728,118	\$ 43,166,062	\$ 820,713	\$ 5,989,982	\$ 66,704,875	
Accumulated Depreciation	\$	6,093,089	\$ 16,658,414	\$ 480,287	\$ 2,548,232	\$ 25,780,022	
Wood							
Count		2,235	1,227	-	-		3,462
Cost	\$	1,412,316	\$ 922,364	\$ -	\$ -	\$ 2,334,680	
Accumulated Depreciation	\$	875,674	\$ 531,175	\$ -	\$ -	\$ 1,406,850	
Other							
Count							109
Cost						\$ 854,629	
Accumulated Depreciation						\$ 264,027	
Total							
Count		10,431	18,405	313	1,636	\$ 30,785	
Cost	\$	18,140,434	\$ 44,088,426	\$ 820,713	\$ 6,844,610	\$ 69,894,184	
Accumulated Depreciation	\$	6,968,763	\$ 17,189,590	\$ 480,287	\$ 2,812,258	\$ 27,450,898	

The net cost of a bare pole was identified as \$1,364:

**Net Cost of a Bare Pole:**

Appurtenance Allowance	0%
Gross Investment in Poles (364)	\$ 69,039,556
Accumulated Pole Depreciation (364)	\$ 27,186,872
<b>Net Cost of a Bare Pole</b>	<b>\$ 1,364</b>

The FCC formula allows for 15% Appurtenance allowance for crossarms to estimate the cost of a bare pole. As the pole database was used the net cost does not need to be reduced.

Accounting data from the 2020 audit was used to identify plant costs and expenses related to admin/maintenance. The following table summarizes 2020 audit data used in the study:

Accounting Data (2020 Audit)		
Description	Account	Value
Investment in Poles (FERC 364)	101364	\$ 69,627,361
Accum. Depreciation (FERC 364)	108364	\$ (26,626,959)
Admin. Exp. (FERC 920-932)	Various	\$ 43,661,890
Plant in Service	Cost	\$ 1,097,908,314
Plant in Service	Acc. Depr.	\$ (668,810,887)
OH Maintenance (FERC 593)	593	\$ 1,611,853
OH Conductors/Devices (FERC 365) Cost	101365	\$ 30,278,948
Services (FERC 369) Cost	101369	\$ 9,268,761
OH Conductors/Devices (FERC 365) AD	108365	\$ (16,828,923)
Services (FERC 369) AD	108369	\$ (7,194,237)

Administration carrying charge:

**Administration Adder**

Total Administration Expenses (920-932)	\$ 43,661,890
Plant NBV	\$ 429,097,427
Admin Rate	<b>10.2%</b>

Maintenance carrying charge:

**Maintenance Adder**

Pole Maintenance Expenses (593)	\$ 1,611,853
Gross Poles, Towers and Fixtures (364)	\$ 69,039,556
Gross Overhead Lines and Conductors (365)	\$ 30,278,948
Gross Services (369)	\$ 9,268,761
AD Poles, Towers and Fixtures (364)	\$ 27,186,872
AD Overhead Lines and Conductors (365)	\$ (16,828,923)
AD Services (369)	\$ (7,194,237)
Maintenance Rate	<b>2.0%</b>

Depreciation carrying charge:

**Depreciation Adder**

Pole Life (years)

43.06

Depreciation Rate

2.3%

Rate of Return carrying charge from COS:

Rate of Return

5%

Total carrying charge = 10.2% (Admin) + 2% (Maintenance) + 2.3% (Depreciation) + 5% (Return)

Total carrying charge = 19.5%

Annual Carrying Cost = \$1,364 (Net Bare Pole Cost) \* 19.5% (Total carrying charge) = \$266

From the pole database the average pole height was identified as 42.1' which equates to 17.9' of usable space for attachments.

The calculated rate per foot is \$14.82 (\$266 (carrying cost)/17.9' (usable space)), this rate increases to \$17.13 under the telecom rate.

## Recommendations

GPA currently charges attachers \$6.00 annually per attachment. We recommend that GPA increases the pole attachment rate by \$3 (25 cents per month) annually for the next 3 years.

The following table details the dollar effect for current attachers in the first year.

Attachments	IT&E	Guam Cell	MCV	DMR	GTA	PDS
Monthly Charge Current	\$ 400.00	\$ 23.50	\$ 12,446.50	\$ 10.00	\$ 69.50	\$ 9.00
Monthly Increase (\$0.25)	\$ 200.00	\$ 11.75	\$ 6,223.25	\$ 5.00	\$ 34.75	\$ 4.50
Proposed Monthly Charge	\$ 600.00	\$ 35.25	\$ 18,669.75	\$ 15.00	\$ 104.25	\$ 13.50

# Pole Attachment Summary

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- PUC approved the \$6 annual pole attachment interim rate on January 31, 2011.
  - The order postponed consideration of permanent pole attachment rates until the Federal Communications Commission rulemaking proceedings regarding pole attachment rate formulas is concluded.
  - 2011 updated order of section 224 limited the capital cost recovery to bring telecom and cable closure together.
  - 2015 updated the discount for multiple attachers.
- FFC established formulas for determining pole attachment rates for cable and telecommunication attachments.
- Telecom Formula:
  - 47 U.S.C. §224(e) *Regulations Governing Charges; Apportionment of Costs of Providing Space.*
- Cable Formula:
  - 47 U.S.C §224(d) *Determination of Just and Reasonable Rates; "Usable Space" Defined.*
- Attachment rate:
  - Telecom Formula - \$17.13
  - Cable Formula - \$14.82
- Current power pole attachment rate is \$6.00 (50 cents per month) annual per attachment
- Proposal - Increase by \$3.00 annual per pole attachment for next 3 years.



# Pole Attachment Formula

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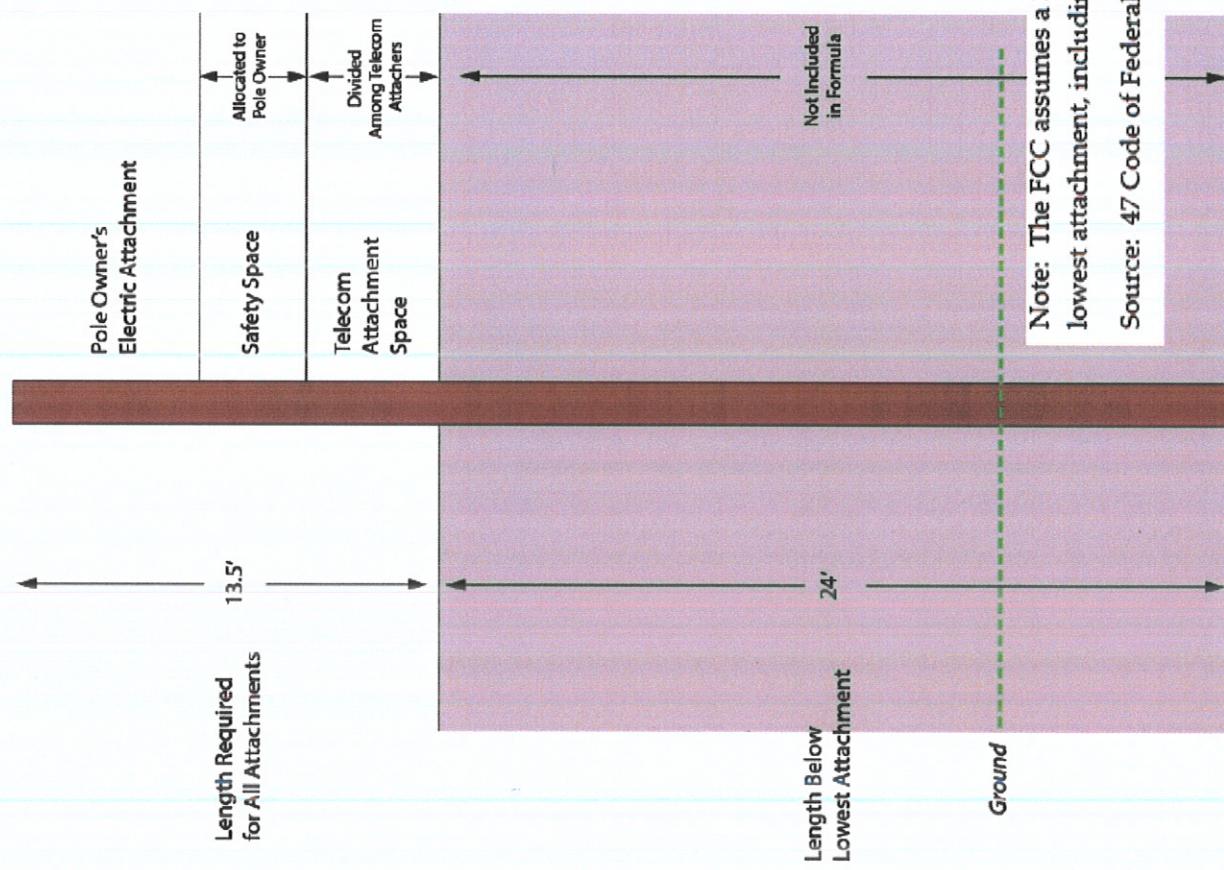
## Cable Formula:

$$Fee = \left( \frac{\text{Space Occupied by Attacher}}{\text{Space Used by All Attachments}} \right) \times (\text{Estimated Annual Pole Cost})$$

- ***Space Occupied by Attacher***
  - Based on increments of 1 foot
  - Rate calculated is a per foot rate which is typical for most attachments
- ***Space Occupied by All Attachments***
  - Total footage of pole available for attachments.
  - FCC assumes that an average pole of 37.5' has 13.5' feet of usable space for attachments
- ***Estimated Annual Pole Cost***
  - Identified as the net cost of a bare pole multiplied by carrying charge rate which are maintenance, depreciation, administration, taxes and return on investment allocation

# Pole Attachment Formula (continued)

FCC Cable Formula Space Allocation Diagram



Source: 47 Code of Federal Regulations 1.1418.

# Pole Attachment Formula (continued)

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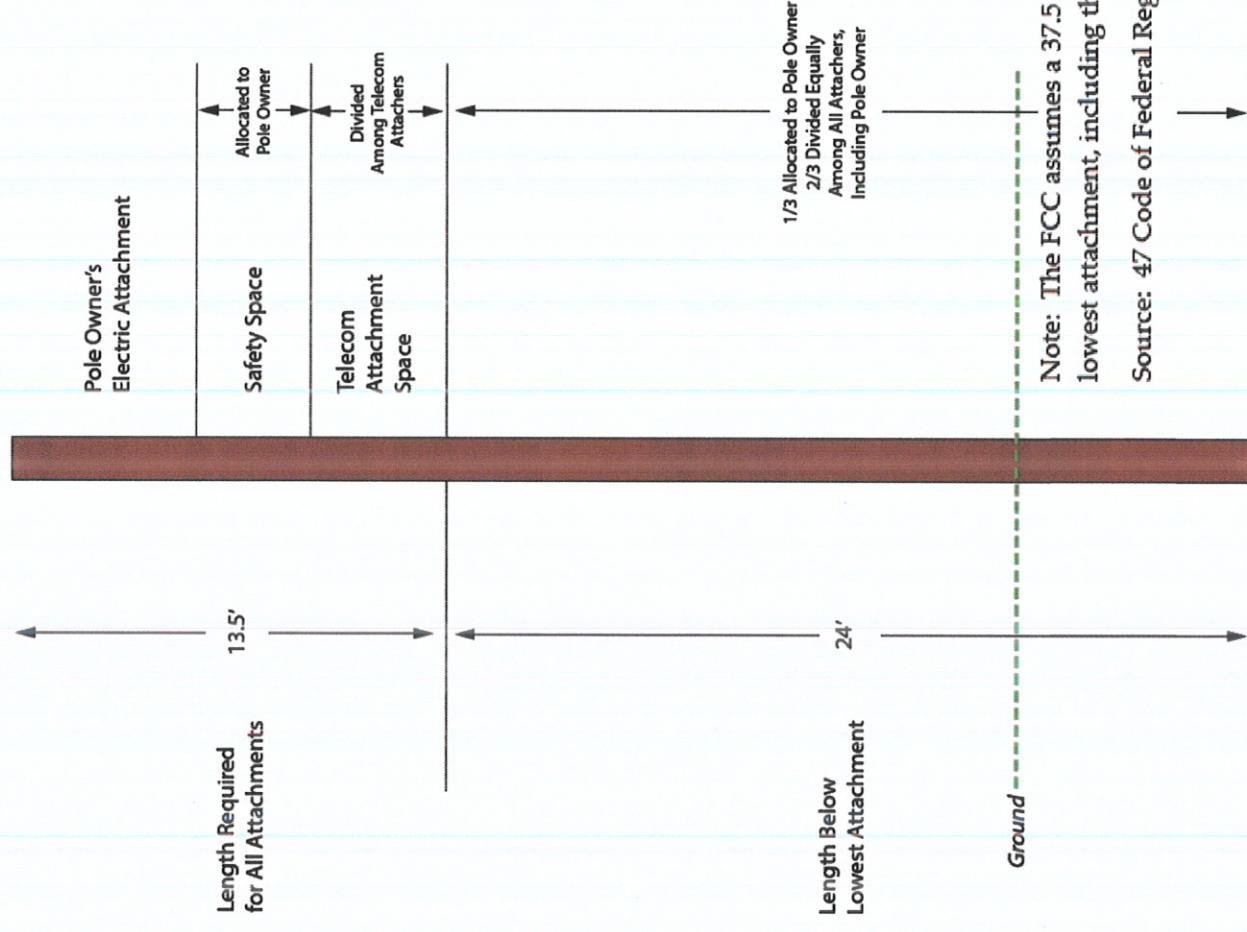
Telephone Formula:

$$Fee = \left( \frac{\text{Space Occupied by Attacher} + \frac{2}{3} \left( \frac{\text{Space Below Lowest Attachment}}{\text{Total # Attachers}} \right)}{\text{Total Pole Length}} \right) \times (\text{Est. Annual Pole Cost})$$

- ***Space Occupied by Attacher***
  - Equals the actual space in feet required for the attachment
- ***Space Below Lowest Attachments***
  - Includes all of the pole that is buried underground
  - FCC assumes that an average pole of 37.5' has 13.5' feet of usable space for attachments
- ***Total # Attachers***
  - Includes the electric attachers
- ***Estimated Annual Pole Cost***
  - Identified as (net cost of a bare pole) x (carrying charge rate) x (31% if two total attachers)

# Pole Attachment Formula (continued)

FCC Telephone Formula Space Allocation Diagram



# Calculation

- The net cost of a bare pole was identified as \$1,364:

Net Cost of a Bare Pole:

Appurtenance Allowance

Gross Investment in Poles (364)

Accumulated Pole Depreciation (364)

Net Cost of a Bare Pole

		0%
\$	69,039,556	
\$	27,186,872	
\$	<b>1,364</b>	

The FCC formula allows for 15% Appurtenance allowance for crossarms to estimate the cost of a bare pole. As the pole database was used the net cost does not need to be reduced.

	Height	35	45	50	55	Total
<b>Concrete</b>						
Count		8,196	17,178	313	1,527	27,214
Cost	\$	16,728,118	\$ 43,166,062	\$ 820,713	\$ 5,989,982	\$ 66,704,875
Accumulated Depreciation	\$	(6,093,089)	\$ (16,658,414)	\$ (480,287)	\$ (2,548,232)	\$ (25,780,022)
<b>Wood</b>						
Count		2,235		1,227		3,462
Cost	\$	1,412,316	\$ 922,364	\$ -	\$ -	\$ 2,334,680
Accumulated Depreciation	\$	(875,674)	\$ (531,175)	\$ -	\$ -	\$ (1,406,849)
<b>Total</b>						
Count		10,431	18,405	313	1,527	30,676
Cost	\$	18,140,434	\$ 44,088,426	\$ 820,713	\$ 5,989,982	\$ 69,039,555
Accumulated Depreciation	\$	(6,968,763)	\$ (17,189,589)	\$ (480,287)	\$ (2,548,232)	\$ (27,186,871)

# Calculation (Continued)

- Administration carrying charge:

Administration Adder	\$ 43,661,890
Total Administration Expenses (920-932)	\$ 429,097,427
Plant NBV	
Admin Rate	<b>10.2%</b>

- Maintenance carrying charge:

Maintenance Adder	\$ 1,611,853
Pole Maintenance Expenses (593)	\$ 69,039,556
Gross Poles, Towers and Fixtures (364)	\$ 30,278,948
Gross Overhead Lines and Conductors (365)	\$ 9,268,761
Gross Services (369)	\$ 27,186,872
AD Poles, Towers and Fixtures (364)	\$ (16,828,923)
AD Overhead Lines and Conductors (365)	\$ (7,194,237)
AD Services (369)	
Maintenance Rate	<b>2.0%</b>

Source: Accounting data from the 2020 audit

# Calculation (Continued)

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- Depreciation carrying charge:

Depreciation Adder  
Pole Life (years)  
Depreciation Rate

Depreciation Adder	43.06
Pole Life (years)	
Depreciation Rate	2.3%

- Rate of Return carrying charge from COS:

Rate of Return  
**5%**

- Total carrying charge =  $10.2\% \text{ (Admin)} + 2\% \text{ (Maintenance)} + 2.3\% \text{ (Depreciation)} + 5\% \text{ (Return)}$
- Total carrying charge = 19.5%
- Annual Carrying Cost =  $\$1,364 \text{ (Net Bare Pole Cost)} * 19.5\% \text{ (Total carrying charge)} = \$266$
- From the pole database the average pole height was identified as 42.1' which equates to 17.9' of usable space for attachments.
- The calculated rate per foot is  $\$14.82 (\$266 \text{ (carrying cost)}) / 17.9' \text{ (usable space)}$

# Impact on attachers

- GPA currently charges attachers \$6.00 (50 cents per months) annually per attachment or annual revenue of \$156,900.
  - Recommend that the pole attachment rate increase by \$3 per pole attachment (25 cents per month) annually for the next 3 years.
  - Monthly revenue to increase by \$6,538 per month, annual \$78,450 for the first year.
- The following table details the dollar effect for current attachers per month in the first year.

	Docomo	IT&E	GTA	PDS	DMR
Attachments	25000	903	143	84	20
Monthly Charge Current	\$12,500.00	\$ 451.50	\$ 71.50	\$ 42.00	\$ 10.00
Monthly Increase (\$0.25)	\$ 6,250.00	\$ 225.75	\$ 35.75	\$ 21.00	\$ 5.00
Proposed Month Charge	\$18,750.00	\$ 677.25	\$ 107.25	\$ 63.00	\$ 15.00

# Pole Attachment Summary

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- PUC approved the \$6 annual pole attachment interim rate on January 31, 2011.
  - The order postponed consideration of permanent pole attachment rates until the Federal Communications Commission rulemaking proceedings regarding pole attachment rate formulas is concluded.
  - 2011 updated order of section 224 limited the capital cost recovery to bring telecom and cable closure together.
  - 2015 updated the discount for multiple attachers.
- FCC established formulas for determining pole attachment rates for cable and telecommunication attachments.
  - Telecom Formula:
    - 47 U.S.C. §224(e) *Regulations Governing Charges; Apportionment of Costs of Providing Space.*
  - Cable Formula:
    - 47 U.S.C §224(d) *Determination of Just and Reasonable Rates; "Usable Space" Defined.*
- Attachment rate:
  - Telecom Formula - \$17.13
  - Cable Formula - \$14.82
- Current power pole attachment rate is \$6.00 (50 cents per month) annual per attachment
- Proposal - Increase by \$3.00 annual per pole attachment for next 3 years.

# Pole Attachment Formula

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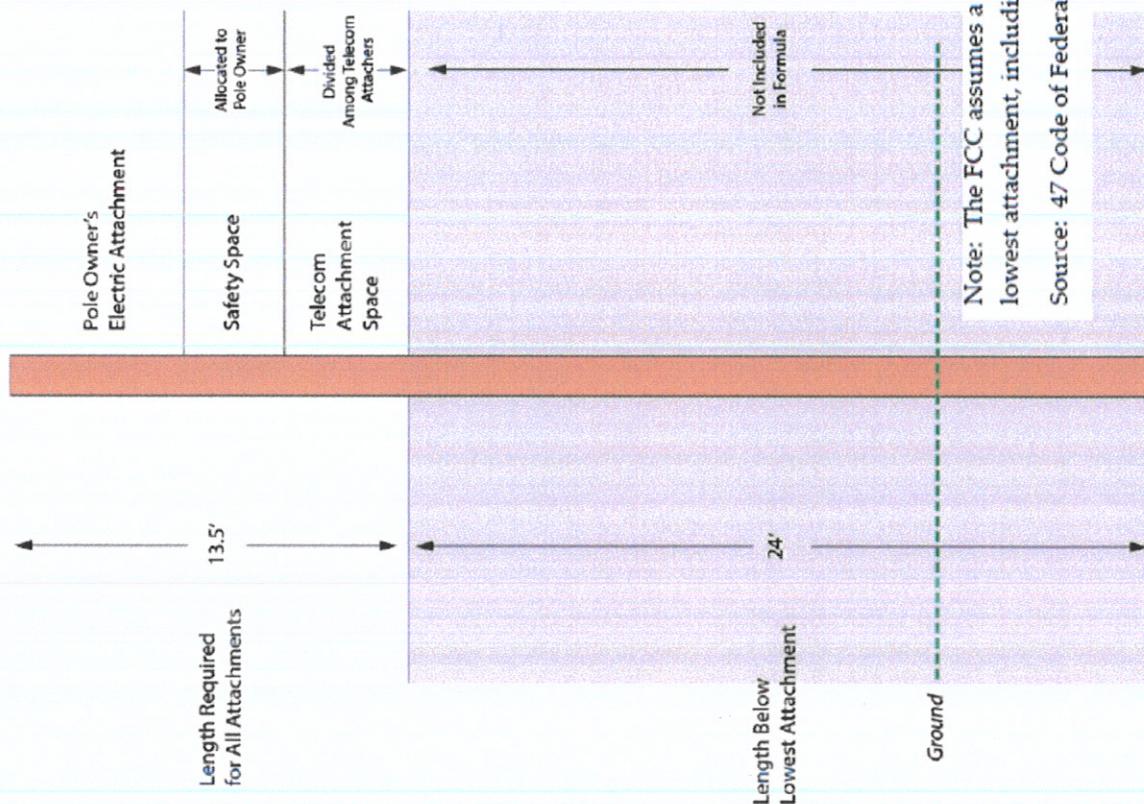
## Cable Formula:

$$Fee = \left( \frac{Space Occupied by Attacher}{Space Used by All Attachments} \right) x (Estimated Annual Pole Cost)$$

- ***Space Occupied by Attacher***
  - Based on increments of 1 foot
  - Rate calculated is a per foot rate which is typical for most attachments
- ***Space Occupied by All Attachments***
  - Total footage of pole available for attachments.
  - FCC assumes that an average pole of 37.5' has 13.5' feet of usable space for attachments
- ***Estimated Annual Pole Cost***
  - Identified as the net cost of a bare pole multiplied by carrying charge rate which are maintenance, depreciation, administration, taxes and return on investment allocation

# Pole Attachment Formula (continued)

FCC Cable Space Allocation Diagram



# Pole Attachment Formula (continued)

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Telephone Formula:

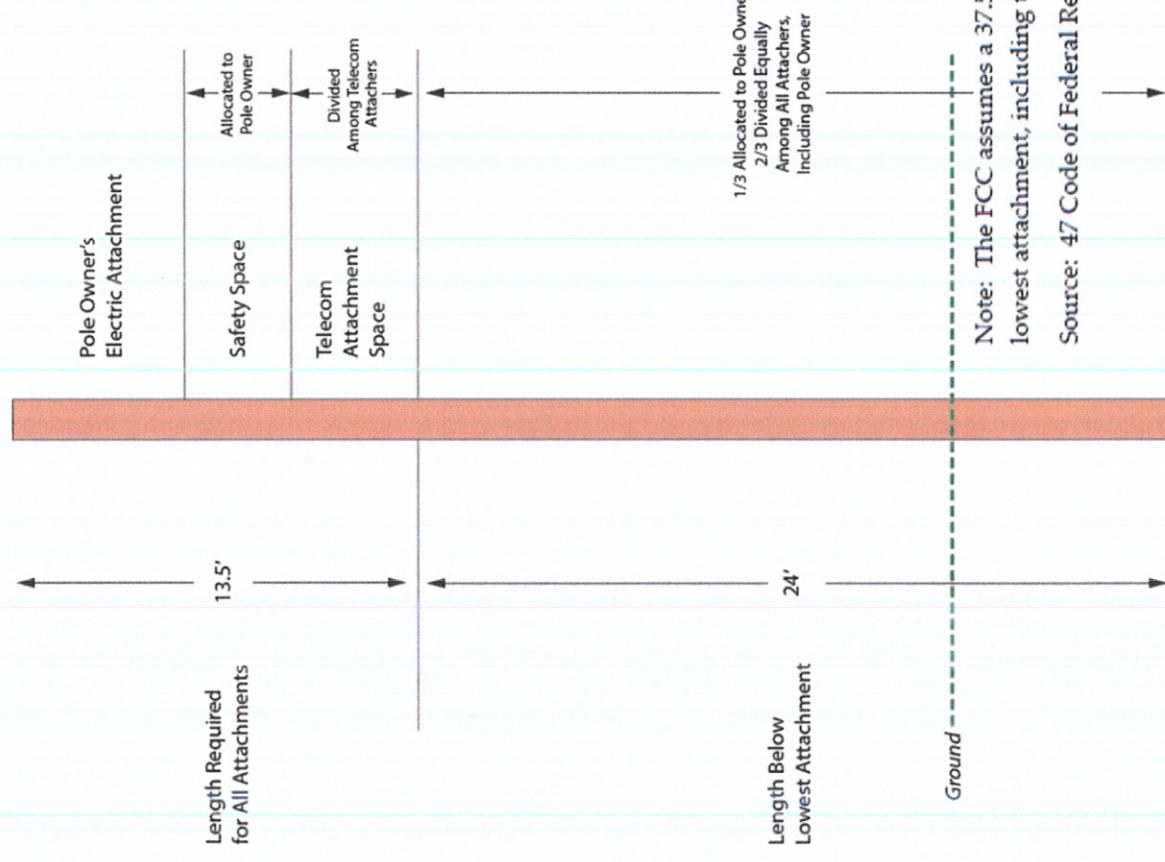
$$\text{Fee} = \left( \frac{\text{Space Occupied by Attacher} + \frac{2}{3}(\text{Space Below Lowest Attachment})}{\text{Total Pole Length}} \right) \times (\text{Est. Annual Pole Cost})$$

- **Space Occupied by Attacher**
  - Equals the actual space in feet required for the attachment
- **Space Below Lowest Attachments**
  - Includes all of the pole that is buried underground
  - FCC assumes that an average pole of 37.5' has 13.5' feet of usable space for attachments
- **Total # Attachers**
  - Includes the electric attachers
- **Estimated Annual Pole Cost**
  - Identified as (net cost of a bare pole) x (carrying charge rate) x (31% if two total attachers)



# Pole Attachment Formula (continued)

FCC Telephone Space Allocation Diagram



Note: The FCC assumes a 37.5 foot pole with 13.5 feet required for attachments and 24 feet below the lowest attachment, including the length in the ground.

Source: 47 Code of Federal Regulations 1.1418.



# Calculation

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- The net cost of a bare pole was identified as \$1,364:

Net Cost of a Bare Pole:

Appurtenance Allowance

Gross Investment in Poles (364)

Accumulated Pole Depreciation (364)

Net Cost of a Bare Pole

		0%
\$		69,039,556
\$		27,186,872
\$		<b>1,364</b>

The FCC formula allows for 15% Appurtenance allowance for crossarms to estimate the cost of a bare pole. As the pole database was used the net cost does not need to be reduced.

	Height	35	45	50	55	Total
<b>Concrete</b>						
Count		8,196	17,178	313	1,527	27,214
Cost	\$	16,728,118	\$ 43,166,062	\$ 820,713	\$ 5,989,982	\$ 66,704,875
Accumulated Depreciation	\$	(6,093,089)	\$ (16,658,414)	\$ (480,287)	\$ (2,548,232)	\$ (25,780,022)
<b>Wood</b>						
Count		2,235	1,227			3,462
Cost	\$	1,412,316	\$ 922,364	\$ -	\$ -	\$ 2,334,680
Accumulated Depreciation	\$	(875,674)	\$ (531,175)	\$ -	\$ -	\$ (1,406,849)
<b>Total</b>						
Count		10,431	18,405	313	1,527	30,676
Cost	\$	18,140,434	\$ 44,088,426	\$ 820,713	\$ 5,989,982	\$ 69,039,555
Accumulated Depreciation	\$	(6,968,763)	\$ (17,189,589)	\$ (480,287)	\$ (2,548,232)	\$ (27,186,871)

# Calculation (Continued)

- Administration carrying charge:

Administration Adder	\$	43,661,890
Total Administration Expenses (920-932)	\$	429,097,427
Plant NBV		
Admin Rate		<b>10.2%</b>

- Maintenance carrying charge:

Maintenance Adder		
Pole Maintenance Expenses (593)	\$	1,611,853
Gross Poles, Towers and Fixtures (364)	\$	<b>69,039,556</b>
Gross Overhead Lines and Conductors (365)	\$	30,278,948
Gross Services (369)	\$	9,268,761
AD Poles, Towers and Fixtures (364)	\$	<b>27,186,872</b>
AD Overhead Lines and Conductors (365)	\$	(16,828,923)
AD Services (369)	\$	(7,194,237)
Maintenance Rate		<b>2.0%</b>

Source: Accounting data from the 2020 audit



# Calculation (Continued)

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- Depreciation carrying charge:

Depreciation Adder	43.06
Pole Life (years)	
Depreciation Rate	2.3%

- Rate of Return carrying charge from COS:

Rate of Return	5%
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- Total carrying charge =  $10.2\% \text{ (Admin)} + 2\% \text{ (Maintenance)} + 2.3\% \text{ (Depreciation)} + 5\% \text{ (Return)}$
- Total carrying charge = 19.5%
- Annual Carrying Cost =  $\$1,364 \text{ (Net Bare Pole Cost)} * 19.5\% \text{ (Total carrying charge)} = \$266$
- From the pole database the average pole height was identified as 42.1' which equates to 17.9' of usable space for attachments.
- The calculated rate per foot is  $\$14.82 (\$266 \text{ (carrying cost)}) / 17.9' \text{ (usable space)}$

# Impact on attachers

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- GPA currently charges attachers \$6.00 (50 cents per months) annually per attachment or annual revenue of \$156,900.
  - Recommend that the pole attachment rate increase by \$3 per pole attachment (25 cents per month) annually for the next 3 years.
  - Monthly revenue to increase by \$6,538 per month, annual \$78,450 for the first year.
- The following table details the dollar effect for current attachers per month in the first year.

Attachments	Docomo	IT&E	GTA	PDS	DMR
	25000	903	143	84	20
Monthly Charge Current	\$12,500.00	\$ 451.50	\$ 71.50	\$ 42.00	\$ 10.00
Monthly Increase (\$0.25)	\$ 6,250.00	\$ 225.75	\$ 35.75	\$ 21.00	\$ 5.00
Proposed Month Charge	\$18,750.00	\$ 677.25	\$ 107.25	\$ 63.00	\$ 15.00

