

**DT 22-047**

**CHARTER COMMUNICATIONS, INC., COGECO US FINANCE, LLC  
d/b/a BREEZELINE, AND COMCAST CABLE COMMUNICATIONS, LLC**

**Petition for Resolution of Rate Dispute**

**Commission Record Request:** Calculate Consolidated pole attachment rate using the FCC's Telecom Formula, and state the percentage difference between that rate and the rate produced using the FCC's Cable Rate Formula.

**Witness:** Patricia D. Kravtin

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**Response:** Please refer to the attached Excel spreadsheet showing the calculation of a solely owned pole rate of \$5.71 for Consolidated using the FCC's Telecom Formula. As compared with the rate of \$5.33 produced using the FCC's Cable Formula (shown in Exhibit 3, Bates Page 024), the Telecom rate is 7.1% higher. Please note that both calculations reflect a 39 foot pole height. Also, please see Exhibit 4 (Attachment PDK-3 to Ms. Kravtin's Prefiled Direct Testimony) Bates pages 22-23 for an explanation of the advantages of the FCC cable rate formula over the FCC telecom rate formula.

**CALCULATION OF MAXIMUM POLE ATTACHMENT RATES USING SETTLEMENT FORMULA  
CONSOLIDATED COMMUNICATIONS USING COST DATA FOR YEAR ENDING 12/31/2020**

FCC Report 43-01, ARMIS Annual Summary Report

Formula Rate Calculation:

For Yr Ending 12/31/20

**STEP ONE: DETERMINE IF NET INVESTMENT IS NEGATIVE.**

Table III

IF YES, CALCULATE BASED ON ALTERNATIVE "GROSS" FORMULA: Row No.

**1.A. NET POLE INVESTMENT**

A. Gross Pole Investment (Account 2411 - Poles)	101	\$63,530,000
B. Accumulated Depreciation (Account 3124.11 - Poles)	201	\$35,765,000
C. Accumulated Deferred Income Taxes (Account 4340 - Poles)	401+404	\$4,865,000
D. Net Pole Investment 1D = 1A-1B-1C		\$22,900,000

**2. TOTAL PLANT INVESTMENT**

A. Gross Plant Investment (Account 2001)	100	\$395,349,000
B. Accumulated Depreciation (Account 3100)	200	\$184,883,000
C. Accumulated Deferred Income Taxes (Accounts 4100 and 4340)	403+406	(\$20,842,000)
D. Net Plant Investment 2D = 2A-2B-2C		\$231,308,000

**3. DEPRECIATION ELEMENT**

A. Depreciation Rate for Gross Pole Investment (FCC/ARMIS Prescribed)	301	5.80%
B. Gross Pole Investment (Line 1B)		\$63,530,000
C. Net Pole Investment (Line 1D)		\$22,900,000
D. Depreciation Element (Net) (Line 3D = (3B/3C)*3A)		16.1%
E. Depreciation Element (Gross) (Line 3D = 3A)		

**4. MAINTENANCE ELEMENT**

A. Pole Maintenance Expense - Poles (Account 6411)	501.1	\$13,625,000
B. Net Pole Investment (Line 1D)		\$22,900,000
C. Maintenance Element (Line 4C = 4A/4B)		59.50%

**5. ADMINISTRATIVE ELEMENT**

A. Total General and Administrative Expense (Accounts 6710 and 6720)	503	\$8,615,000
B. Net Plant Investment (Line 2D)		\$231,308,000
C. Administrative Element 5C = 5A/5B		3.72%

**6. TAXES ELEMENT**

A. Total Operating Taxes (Account 7200)	504	\$8,043,000
B. Net Plant Investment (Line 2D)		\$231,308,000
C. Taxes Element 6C = 6A/6B		3.477%

**7. RETURN ELEMENT**

A. Authorized Rate of Return		9.75%
B. Net Pole Plant (Line 1D)		
C. Gross Pole Plant (Line 1A)		
D. Net to Gross Ratio 7D = 7B/7C		
E. Return Applicable to Gross 7E = 7D*7A		

**8. CARRYING CHARGE RATE**

A. Sum of Carrying Charge Rate Elements 8A = 3E+4C+5C+6C+7E		92.54%
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**9. OTHER INFORMATION**

A. Pole Space Occupied per Attachment		1
B. Usable Pole Space		15.0
C. Unusable Pole Space		24.0
D. Pole Height 9D = 9B+9C		39.0
E. Equivalent Number of Poles	601	251,845
F. Appurtenance Factor		0.95

**10. MAXIMUM YEARLY RATE PER POLE PER ATTACHMENT - SETTLEMENT RATE FORMULA**

A1. FCC Telecom Space Factor = $[1+(2/3 \times 9C)/3.0]/9D$	16.24%
A2. FCC Telecom Cost Factor	44.00%
B. Net Cost of a Bare Pole = (Net Pole Investment/Total Number of Poles) x Appurtenance Factor 10B = (1D/9E) x 9F	\$86.38
C. Annual Carrying Charges based on Gross Investment (8A)	92.54%
D. Maximum Yearly Rate per Pole per Attachment 10D = 10A1 x 10A2 x 10B x 10C	<b>\$5.71</b>