

TEMPLATE 2 - POLE ATTACHMENT FEE CALCULATION - For LPC's With Electric-owned Fiber Located in the Communications

Space

FISCAL YEAR ENDED JUNE 30, 2021

LPC: Tarrant Electric Department (220) 2021

For any questions, please contact your regulatory analyst.

DATA INPUTS

Plant Account Data

Total Plant	2021		
Item 1 - Gross Plant	\$18,308,602	ANNUAL REPORT, PAGE 1	
Item 2 - Depreciation	\$10,055,333	ANNUAL REPORT, PAGE 1	
Net Plant	\$8,253,269		
	2021		
	Gross Plant	Depreciation	Net Plant
Plant Related to Poles	ANNUAL REPORT, PAGES 9 & 11		
Account 364 - Poles, Towers, and Fixtures	\$2,630,882	\$1,008,158	\$1,622,724
Account 365 - Overhead Conductors & Devices	\$1,830,601	\$925,005	\$905,596
Account 369 - Services	\$806,393	\$640,049	\$166,343
Total	\$5,267,876	\$2,573,213	\$2,694,663

Account 364 Data

	2021	
Number of Poles	4,000	ANNUAL REPORT, PAGE 36
Pole Depreciation Rate	2.50%	ANNUAL REPORT, PAGE 11

Expense Data

	2021	
Item 625 + Account 935 - Administrative & General Expense	\$504,703	ANNUAL REPORT, PAGE 6
Account 408.1 - Property Taxes	\$0	ANNUAL REPORT, PAGE 29
Functional Accounting Taxes, if any	\$0	ANNUAL REPORT, PAGE 36
Net Current Deferred Operating Income Taxes, if any		ANNUAL REPORT, PAGE 36
Net Noncurrent Deferred Operating Income Taxes, if any		ANNUAL REPORT, PAGE 36
Account 593 - Overhead Lines Distribution Maintenance		
	2019	\$458,675
	2020	\$419,143
	2021	\$283,227
3 Year Average		\$387,015

Space Allocation Data

Average Number of Attaching Parties	5.00	ANNUAL REPORT, PAGE 36
Pole Height (ft)	37.5	ANNUAL REPORT, PAGE 36

Discount Factor for Pole

Discount Factor for Cross Arms and Other Appurtenances	15%	ANNUAL REPORT, PAGE 36
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Rate of Return

Authorized by Regulatory Authority	8.5%	ANNUAL REPORT, PAGE 36
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CALCULATIONS

Space Allocation

(A) Number of Attaching Parties	5.0	5.0
(B) Space Occupied by Attaching Party	1	2
(C) Safety Space	3.33	3.33
(D) Total Usable Space	14.5	14.5
(E) Total Support Space (Ground: 2' + 10% total height; Clearance: 18'; rounded to nearest foot)	23.0	23.0
Space Allocation (% of Total Pole)		
Fully Allocated Cost Formula $(B+(1/(A-1)*C)+(1/A)*E)/(D+E)$	16.71%	19.38%
Net Cost of a Bare Pole (Breakdown below)	\$344.83	\$344.83
Carrying Charge Rate (Breakdown below)	33.03%	33.03%
Annual Cost of Ownership	<u>\$113.90</u>	<u>\$113.90</u>

Maximum Rate per Pole (Space Allocation % x Annual Cost)	5.0 Party, 1 Foot	5.0 Party, 2 Foot
Fully Allocated Cost Formula	\$19.03	\$22.07

BREAKDOWN OF INPUTS

Net Cost of a Bare Pole

(1) Gross Pole Investment	\$2,630,882
(2) Depreciation Reserve	\$1,008,158
(3) Net Current Deferred Operating Income Taxes	
(4) Net Noncurrent Deferred Operating Income Taxes	
(5) Net Deferred Operating Income Taxes (L(3)+L(4))	\$0
(6) Gross Plant Investment	\$5,267,876
(7) Net Deferred Operating Income Taxes (Poles) $((L(1)/L(6)) \times L(5))$	\$0
(8) Net Investment (Poles) $(L(1) - L(2) - L(7))$	\$1,622,724
(9) Net Investment (Bare Pole) $(L(8) \times (1 - \text{Discount Factor see above}))$	\$1,379,315
(10) Number of Poles	4,000
(11) Net Cost of a Bare Pole (L(9)/L(10))	<u>\$344.83</u>

Carrying Charge Rate

(1) Administrative Charge	6.12%
(2) Maintenance Charge	14.36%
(3) Depreciation Charge	4.05%
(4) Taxes	0.00%
(5) Return on Investment	8.5%
(6) Total Carrying Charge Rate (L(1) + L(2) + L(3) + L(4) + L(5))	<u>33.03%</u>

Administrative Charge

(1) A&G Expense (625 + 935)	\$504,703
(2) Net Plant Investment	\$8,253,269
(3) Administrative Charge $(L(1)/L(2))$	<u>6.12%</u>

Maintenance Charge

(1) Average Maintenance Expense (593)	\$387,015
(2) Net Investment (Pole Accounts 364, 365, and 369)	\$2,694,663
(3) Maintenance Charge $(L(1)/L(2))$	<u>14.36%</u>

Depreciation Charge

(1) Depreciation Rate	2.50%
(2) Gross Pole Investment (Account 364)	\$2,630,882
(3) Net Pole Investment (Account 364)	\$1,622,724
(4) Depreciation Charge $(L(1) \times L(2) / L(3))$	<u>4.05%</u>

Taxes

(1) Total Current and Deferred Taxes	\$0
(2) Net Plant Investment	\$8,253,269
(3) Taxes $(L(1)/L(2))$	<u>0.00%</u>

Return on Investment

Authorized by Regulatory Authority	<u>8.5%</u>
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