**Section 315.20 Presumptive Pole Attachment Rental Rate Formula**

Subject to the provisions of Section 315.30 below, an annual pole attachment rental rate included in a pole attachment agreement between a CATV company and a regulated entity which is presented to the Commission for consent and approval under Section 7-102 of the Act shall be presumed to be just and reasonable if shown to be equal to the rate resulting from the following formula:

|  |  |  |
| --- | --- | --- |
| Rental Rate | = | (Cost per pole) x (CATV Space) x (Carrying Charge) |
| (Total Usable Space) |

Where:

a) "Cost per Pole" shall be the regulated entity's book investment in all bare distribution poles included in the electric utility Account 364 or telecommunications carrier Account 2411 at the most recent December 31, divided by the equivalent number of distribution poles included in the account at such date. If the book investment for "bare" poles is not ascertainable, then a deduction of 30% shall be made to reflect appurtenances (i.e., crossarms) not used by CATV. This 30% deduction from pole investment may be rebutted by a statistically reliable survey to the contrary.

b) "CATV Space" shall be 1.0 foot, representing an allocation to the CATV company of 1 foot of the useful space for the CATV attachments.

c) "Total Usable Space" shall be 14 feet in accordance with surveys submitted by both CATV and the regulated entities. This 14-feet presumption for usable space may be rebutted by a statistically reliable survey to the contrary.

d) "Carrying Charge" shall include the sum of the following components determined in the following manner:

1) "Maintenance costs carrying charge" shall be the maintenance expense attributed to the maintenance of the poles and associated equipment set forth in the respective electric utility Account 593 or telecommunications carrier Account 6411 as recorded in the books of accounts for the most recently completed calendar year divided by the respective cost of plant recorded in such plant account for the most recently completed calendar year.

2) "Administrative and general costs carrying charge" shall be calculated as the sum of the expenses recorded in the electric utility Accounts 920, 921, 923, 924, 925, 926, 927, 928, 929, 930, 931 and 935 (subtracting the credit in Account 922) or telecommunications carrier Accounts 6110 through 6124, 6510 through 6565, 6610 through 6623 and 6710 through 6790 (excluding depreciation account 6560 through 6566), for the most recent completed calendar year, divided by the investment in electric utility or telecommunications carrier plant in-service (including amounts unclassified and allocated common plant, if any) at the most recently completed calendar year.

3) "Depreciation expense carrying charge" shall be the annual depreciation rate applied to electric utility Account 364 or telecommunications carrier Account 2411, expressed as a decimal, for the most recently completed calendar year.

4) "Taxes other than income taxes carrying charge" shall be calculated using a methodology which reasonably develops the expense for such taxes for the most recently completed calendar year attributable to the ownership of the facilities recorded in electric utility Account 364 or telecommunications carrier Account 2411, divided by the book cost of such plant. Taxes do not include any estimated or anticipated taxes but only those which have accrued.

5) "Return and income taxes carrying charge" shall be determined by the regulated entity by considering the rates of return currently being permitted on depreciated original cost rate bases as allowed by the Commission in the respective utility's most recent rate case. With said rate of return so determined, the return and income tax carrying charge shall be computed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| RIT | = | r | x | DOC |
| 1.0 - f - s + fs | OC |

 Where:

A) "RIT" is the return and income tax carrying charge;

B) "r" is the rate of return expressed as a decimal;

C) "f" is the effective federal income tax rate as incurred by the regulated entity in the most recently completed calendar year expressed as a decimal;

D) "s" is the effective state income tax rate as incurred by the regulated entity in the most recently completed calendar year, expressed as a decimal;

E) "DOC" is the depreciated original cost of the pole account as of the end of the most recent calendar year; and

F) "OC" is the original cost of the pole account, as of the end of the most recent calendar year.

e) The electric accounts mentioned in this Section are those required to be maintained by 83 Ill. Adm. Code 415. The telecommunications accounts mentioned in this Section are those required to be maintained by 83 Ill. Adm. Code 710.

(Source: Amended at 18 Ill. Reg. 676, effective February 1, 1994)