

Appendix : Calculation of Fees Charged under TVA Pole Attachment Fee Formula and FCC Formulas

Annual per-pole fees calculated using TVA and FCC formulas for the example developed by TVA in attachment A are shown below. The calculations each rely on the same assumptions for space allocation and annual pole cost used by TVA in attachment A.

General Assumptions	
Total Number of Attachers	3
Space Occupied by Attacher (feet)	1
Safety Space (feet)	3.33
Total Space Used for Attachments (feet)	13.5
Total Space Below Lowest Attachment (feet)	24
Pole Length (feet)	37.5

Annual Pole Cost Assumptions	
Net Pole Investment Acc. 364	\$ 5,572,436.68
Total Number of Poles	16,981
Administrative Expense*	3.26%
Maintenance Expense*	8.56%
Taxes*	2.23%
Depreciation*	4.06%
Return on Investment	8.50%
Cost Modifier for FCC Telephone Formula A**	44%

	TVA Formula	FCC Formulas***		
		Cable	Telephone A	Telephone B
Space Allocation Percentage (use formulas in appendix B)	28.44%	7.41%	16.89%	16.89%
Estimated Annual Pole Cost (use formulas in appendix B)	\$ 74.22	\$ 74.22	\$ 32.66	\$ 32.97
Annual Per-Pole Fee (allocation percentage x est. annual pole cost)	\$ 21.11	\$ 5.50	\$ 5.52	\$ 5.57

* Expressed as a percentage of net investment; see calculations in attachment A.

** The annual pole-cost modifier in FCC telephone formula A assumes three total attachers; see attachment B.

*** FCC telephone formula B results in a greater fee than telephone formula A and would be used under FCC guidelines for attachers that are telephone companies.

Source: Calculations by TACIR staff based on example developed by TVA in attachment A.