

## APPENDIX A

### SPECIFIC CHARGE FOR POLE ACCESS CONSISTENT WITH VECC'S SUBMISSIONS

<u>Line #</u>	<u>Item</u>	<u>2013</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Basis for 2016-2020 Forecast</u>
A1	Administration	\$3.97	\$4.23	\$4.31	\$4.39	\$4.47	\$4.56	A1 thorough A5 as per VECC submission
A2	LIP - Pole Repl. Field Verif.	\$1.14	\$1.21	\$1.24	\$1.26	\$1.29	\$1.31	
A3	LIP - Pole Repl. Return Crew	\$1.28	\$1.36	\$1.39	\$1.41	\$1.44	\$1.47	
A4	LIP - Wires Down	\$0.21	\$0.22	\$0.22	\$0.23	\$0.23	\$0.24	
A5	LIP - Trees on Wires	\$0.35	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	
A6	Total Direct Cost	\$6.95	\$7.40	\$7.55	\$7.71	\$7.87	\$8.04	A6 = Sum A1 to A5
B1	NBV - Start of Year (M\$)	\$67.84	\$88.69	\$96.96	\$103.74	\$111.31	\$117.99	As per VECC submission
B2	NBV-Year End (M\$)	\$75.27	\$96.96	\$103.74	\$111.31	\$117.99	\$124.90	
B3	Average NBV (M\$)	\$71.55	\$92.83	\$100.35	\$107.52	\$114.65	\$121.45	
B4	Adjusted Average NBV (M\$)	\$60.82	\$78.90	\$85.30	\$91.40	\$97.45	\$103.23	B3 * 85% (as per VECC submission)
C	In-Service Poles	48,352	48,449	48,449	48,449	48,449	48,449	As per VECC submission
D	Adj. Avg. NBV / Pole	\$1,257.84	\$1,628.58	\$1,760.55	\$1,886.43	\$2,011.45	\$2,130.70	B4/C
E1	Carrying Cost (%)	8.04%	7.06%	7.10%	7.13%	7.17%	7.19%	Updated to reflect Nov. 5, 2015 Amendment to Settlement Proposal
E2	Carrying Cost/Pole	\$101.13	\$114.98	\$125.00	\$134.50	\$144.22	\$153.20	D * E1
F1	Depreciation (M\$)	\$1.98	\$2.55	\$2.77	\$3.00	\$3.23	\$3.46	As per VECC submission
F2	Depreciation/Pole	\$34.80	\$44.78	\$48.67	\$52.64	\$56.66	\$60.75	F1/C * 0.85
G1	Maintenance (K\$)	\$605.08	\$552.59	\$563.15	\$573.90	\$584.86	\$596.03	As per VECC submission
G2	Maintenance/Pole	\$10.64	\$9.69	\$9.88	\$10.07	\$10.26	\$10.46	G1/C * 0.85
G	Total Indirect Cost/Pole	\$146.57	\$169.45	\$183.55	\$197.21	\$211.14	\$224.40	E2+F2+G2
H	Indirect Cost Allocation per Attacher	\$41.92	\$48.46	\$52.49	\$56.40	\$60.39	\$64.18	G * 28.6% (@ 1.75 attachers/pole)
I	<b>Total Cost per Attacher</b>	<b>\$48.87</b>	<b>\$55.86</b>	<b>\$60.05</b>	<b>\$64.11</b>	<b>\$68.26</b>	<b>\$72.22</b>	A6+H
<b>Five Year Average</b>					<b>\$64.10</b>			

Explanation for 2013 Values

A1 - Administration Cost per Pole per Carriers #12 h). No adjustment for number of attachers per VECC Argument - Section 4.1.1  
A2 - \$81,410 (per Carriers 13 c)) divided by 35,663 poles with attachments (corrected per October 16th transcript, page 52) and adjusted for 2.0 3rd party attachers per pole per pole per VECC Argument, Section 4.1.1  
A3 - \$188,988 (per Carriers 13 c)) divided by 35,663, adjusted for 2.0 3rd party attachers/pole (per VECC Argument Section 4.1.1) and further adjusted by 1-((2 \* 0.259)) to account for returning crew costs allocated as part of indirect costs (per VECC Argument Section 4.1.2)  
A4 - \$14,720 (per Carriers 13 c)) divided by 35,663 and adjusted for 2.0 3rd party attachers (per VECC Argument, Section 4.1.1  
A5 - \$25,301 (per Carriers 13 c)) divided by 35,663 and adjusted for 2.0 3rd party attachers (per VECC Argument, Section 4.1.1  
B1 & B2 - June 29, 2015 Update, Exhibit B, Schedule 1, page 2  
B4 - Average NBV adjusted by 85%  
C - J2.1  
E1 - Technical Conference, August 13, 2015 - page 111