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November 9, 2020

VIA THE PSC ALTERNATIVE FILING SYSTEM

Mr. Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, GA 30334-5701

Re: Generic Proceeding to Implement House Bill 244
Docket No. 43453

Dear Mr. McAlister:

Enclosed for filing is Rebuttal Testimony of Daniel P. Rhinehart in the above captioned docket.

Thank you for your assistance.

Sincerely,

Patrick Turner

Patrick W. Turner

PWT/sh
Enclosure

cc: Certificate of Service Attached

AT&T GEORGIA

REBUTTAL TESTIMONY OF DANIEL P. RHINEHART

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

DOCKET NO. 43453

NOVEMBER 9, 2020

INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Daniel P. Rhinehart. My business address is 9505 Arboretum Blvd, Room 9S12, Austin, Texas, 78759.

Q. ARE YOU THE SAME DANIEL RHINEHART WHO SUBMITTED DIRECT TESTIMONY PREVIOUSLY IN THIS DOCKET?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I rebut erroneous statements and assumptions in testimony submitted by witnesses on behalf of the Georgia Electric Membership Corporation ("GEMC") regarding the so called "Georgia Formula" (which I will refer to as the "EMC's proposed formula"). I show that the EMC's proposed formula will not produce just,

reasonable, nondiscriminatory, and commercially reasonable pole attachment rates for EMCs in Georgia.

Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.

A. I briefly discuss the applicability of the FCC's Cable Formula versus the FCC's New Telecom Formula. Then I address several aspects of the EMCs' proposed formula. Specifically, the EMC's proposed formula (a variant of the FCC's New Telecom Formula) is based on several faulty premises that inappropriately overstate pole attachment costs. The inclusion of grounding in the investment base inflates costs and runs counter to considered and reconsidered opinions of the FCC. Modifications to the space factor radically overstate costs attributable to cable and telecom attachments. The EMC's proposed formula significantly overstates cost by failing to recognize the FCC's clear intent to enhance the deployment of broadband services (which is consistent with the State of Georgia's intent to enhance the deployment of broadband services) through the use of a "cost allocator" designed to harmonize the rate levels derived from the Telecom Formula with the rates derivable from the Cable Formula. I also address various miscellaneous problems with the EMCs' proposed formula, such as rate of return and the appurtenance factor.

I further demonstrate that the $37.95 statewide average EMC attachment rate developed in GEMC Exhibit 21 is based on a faulty averaging method that overstates a statewide average by nearly 20%.

Q. DO YOU WISH TO CHANGE ANY OF THE RECOMMENDATIONS YOU MADE IN YOUR DIRECT TESTIMONY?

A. No. I continue to recommend that the Commission adopt pole attachment rates for individual EMCs based on individual EMC costs, determined by following FCC regulations in 47 C.F.R. §§1.1401-1.1415, using the New Telecom Formula as promulgated in FCC regulations at 47 C.F.R. 1.1406(d)(2) with a maximum rate of return of 8.00%. The New Telecom Formula is in use today in Georgia both by investor-owned electric utilities and AT&T, and its correct use across Georgia EMCs members will produce just, reasonable, nondiscriminatory, and commercially reasonable pole attachment rates.

Q. HOW DO YOU RESPOND TO THE SUGGESTIONS BY THE GEORGIA TELECOMMUNICATIONS ASSOCIATION AND THE GEORGIA CABLE ASSOCIATION THAT THE COMMISSION SHOULD USE THE FCC'S CABLE RATE FORMULA TO SET EMC POLE ATTACHMENT RATES?

A. Under standard assumptions of an average 37.5-foot pole, 24 feet of unusable space, 1 foot of occupancy, and an 15% appurtenance investment adjustment, the rates should be practically the same under the Cable Formula recommended by GTA and GCA and the New Telecom Formula I recommend. There will be

differences when more than one foot of space is occupied or when non-standard assumptions are used.

Typical applications of the Cable Formula are on a per foot of occupancy basis. Typical applications of the New Telecom Formula are on a per pole basis, but the per pole price will differ based on the number of feet occupied because the space factor is computed differently under the two formulas.

Q. PLEASE PROVIDE AN EXAMPLE THAT DEMONSTRATES THE DIFFERENCE YOU ARE DISCUSSING.

A. The following table is based on a hypothetical rate of $10.00 per attachment under standard assumptions for occupancy of one foot under the Cable Formula. It also shows the rates that would be applicable under the New Telecom Formula for the standard one foot of occupancy and for two feet of occupancy.

Line	Description	Cable – 1 ft	Cable 2 ft	New Tel. 1 ft	New Tel. 2 ft
1	Pole Annual Cost	$135.00		$135.00	$135.00
2	Space Factor	0.0741		0.1120	0.1387
3	Cost Allocator	N/A		0.66	0.66
4 [2x3]	Cost Assignment	0.0741		0.0739	.0915
5 [1x4]	Attachment Rate	$10.00	$20.00	$9.98	$12.36

Q. WHAT IS THE BENEFIT OF USING THE NEW TELECOM FORMULA OVER THE CABLE FORMULA?

A. First, I must emphasize that the entire New Telecom Formula must necessarily be used with the FCC standard inputs or with legitimately rebutted alternatives. That

said, the principal benefit would be that EMCs would pay prices for attachments on non-EMC poles on a first and incremental foot basis. From the hypothetical example above, supposing that an EMC has contractual access to 10 feet of space on an AT&T pole, the price paid under the Cable Formula would be 10 x $10.00 or $100 per year. Under the New Telecom formula, the price paid would be $9.98 plus 9 x $2.38 (the difference between the one-foot price and the two-foot price), or a total of $31.40. This approach would benefit EMC ratepayers and enhance EMC or EMC affiliate deployment of broadband facilities because of lower attachment rates paid to other pole owners.

Q. PLEASE DESCRIBE THE EMC'S PROPOSED FORMULA AS YOU UNDERSTAND IT.

A. The EMC's proposed formula is a flawed variant of the FCC's Telecom Formula. While it has the principle components of total annual pole costs times a space factor that the FCC New Telecom Formula uses, it inappropriately: adds investments disallowed by the FCC (grounding); determines an inflated space factor that ignores clearly established FCC precedent; relies on faulty analysis in a failed attempt to rebut FCC inputs; and completely omits the FCC's number of attachers cost allocator.

Q. WHY IS THE INCLUSION OF GROUNDING INVESTMENT AN ERROR IN THE EMCS' PROPOSED FORMULA?

A. The FCC has expressly considered and rejected electric utilities' requests to include grounding costs as a component of the net cost of a bare pole.

> We affirm our conclusion that lightning protectors and grounding installations recorded in accounts other than Account 364 should not be included in the calculation of the net cost of a bare pole factor. Attaching entities are required to provide separate grounding for their own attachments. Lightning protectors and grounding installed on poles by utilities are equipment specific to the electric utility's core business services and not related to the general cost of the pole plant. Portions of Accounts 365 and 369 are already included in the maintenance element of the relevant Cable Formula.[1]

The FCC's conclusion is reinforced by the very definition of the account in which ground wire is included under Federal Energy Regulatory Commission ("FERC") accounting guidelines: Account 365, "Overhead conductors and devices" "shall include the cost installed of overhead conductors and devices used for distribution purposes." The list of pertinent items includes ground wires. Notably, ground wires are not accounted for as pole investment. Further, based on my knowledge of AT&T's accounting systems, ground wires are not included with AT&T's pole investments but are instead properly associated with AT&T's aerial cable account and are therefore excluded from AT&T's computed pole attachment rates pursuant to FCC instructions.

[1] In the Matter of Amendment of Rules and Policies Governing Pole Attachments, CS Docket No. 97-98, Report and Order FCC 00-116, Adopted: March 29, 2000. Released: April 3, 2000. Paragraph 38. Notes omitted. Emphasis added.

Q. HOW MUCH OF AN OVERSTATEMENT TO THE POLE ATTACHMENT RATE GENERATED BY THE EMCS' PROPOSED FORMULA IS ATTRIBUTED TO THE INCORRECT INCLUSION OF GROUNDING INVESTMENT?

A. Based on the publicly released rate computation for Southern Rivers EMC (a claimed attachment rate of $38.85), removal of grounds investment reduces the Southern Rivers rate by $3.27 to $35.58.

Q. PLEASE DESCRIBE HOW THE EMCS' PROPOSED FORMULA IMPROPERLY ADJUSTS THE SPACE FACTOR.

A. The EMCs' proposed formula makes three faulty adjustments to the space factor by: shifting the 3.33 feet of safety space to support space; including 100 percent of support space in the space factor instead of only two-thirds; and increasing the amount of normal support space from 24 to 26 feet.

Q. HOW DOES THE FCC TREAT SAFETY SPACE IN THE NEW TELECOM FORMULA?

A. The FCC treats safety space as used and useful space not attributable to cable and telecommunications attachers. The following quote from the FCC is pertinent:[2]

> 20. A 40-inch safety space was created to minimize the likelihood of physical contact between employees working on cable television or telephone lines and the potentially lethal voltage carried by the electric lines, as well as to prevent electrical contact between such cables. In the Second Report and Order, and the Third Order, the Commission rejected the arguments of electric companies that the entire 40 inches of safety space should be attributable to cable television operators. In the Notice, we sought comment on the continued validity of the allocation of the 40-inch safety space to usable space. After consideration of the evidence in this proceeding, we decline to decrease the amount of usable space from 13.5 feet to 11 feet by reallocating the 40-inch safety space as unusable space. Removing the 40-inch safety space from usable space, under Section 224(d), would have the effect of spreading the costs of the safety space among the utility pole owner and the attaching entity.
>
> 21. Some electric utilities request that we remove the 40-inch safety space from the presumptive 13.5 feet of usable space because the safety space exists to protect attaching entities' workers when installing and maintaining their pole attachments. Attaching entities assert that any cable operator or telecommunications carrier seeking to install a pole attachment is already required to incur "make ready" expenses to ensure the existence of the 40-inch safety space, and that electric utilities benefit from the safety space by attaching their own facilities such as communications equipment, street lights, transformers, and grounded, shielded power conductors in the safety space.
>
> 22. <u>It is the presence of the potentially hazardous electric lines that makes the safety space necessary and but for the presence of those lines, the space could be used by cable and telecommunications attachers. The space is usable and is used by</u>

[2] Id. Paragraphs 20 to 22. Notes omitted. Emphasis added.

> the electric utilities. A bare pole, when erected has portions to which attachments cannot be made at any time—the ground clearance and the part of the pole below ground. The rest is available for attachments; it is usable space. A communications attachment, even though it may be a fiber optic cable with a diameter of only one inch, is presumed to occupy one foot of the attachable space because of separation requirements. In a like manner, the electric supply cable on the pole, because of its unique spacing requirements must be 40 inches away from communications attachments. No one questions that the eleven inches of space not physically occupied by a fiber optic cable, but attributed to it, is usable space. Because the electric supply cable precludes other attachments from occupying the safety space, which would otherwise be usable space, the safety space is effectively usable space occupied by the supply cable. So long as their crews make the installation, the electric utilities are not limited by the NESC in what equipment or cables they may attach in the safety space. Accordingly, we reject the electric utilities' arguments to reduce the presumptive usable space of 13.5 feet by 40 inches.

These statements by the FCC in 2000 were reaffirmed in 2001 (FCC 01-170, paragraph 48. "No persuasive evidence or arguments have been presented which challenge our long-standing presumptions …") and in 2011 (FCC 11-50 paragraph 180. "The Commission has given extensive consideration to these issues in prior decisions, and we find no basis for revisiting them.") Treating safety space as unusable and allocable across all attachers overstates attachment costs.

The evidence in this proceeding shows that the EMCs, sometimes extensively, utilize safety space for their own purposes. In response to Staff discovery question 1-16, twenty five of thirty-eight EMCs acknowledge using safety space for their own purposes – most often for streetlights but occasionally also for fiber facilities. The space is used and useful to the EMCs and therefore should be included in the rate development as usable space.

Q. PLEASE DISCUSS WHAT "SUPPORT SPACE" IS IN THE EMCS' PROPOSED FORMULA, HOW IT IS TREATED, AND HOW "SUPPORT SPACE" IS TREATED IN THE FCC NEW TELECOM FORMULA.

A. Support space in the EMCs' proposed formula is equivalent to "unusable space" in the FCC's New Telecom Formula. The EMC's proposed formula treats support space as 100% attributable to all attaching entities. In contrast, the FCC New Telecom Formula, as required under federal law (47 U.S. Code §224(e)(2)), attributes only two-thirds of this space to attaching entities. As a matter of policy, I take this to mean that the other one-third of support space is necessarily assumed to be the full responsibility of the pole owner. Accordingly, attributing one hundred percent of support space to all attachers (which is what the EMCs' proposed formula does), improperly overstates pole attachment rates.

Q. PLEASE DESCRIBE THE JUSTIFICATION USED BY THE EMCS TO INCREASE SUPPORT SPACE FROM 24 FEET TO 26 FEET.

A. The FCC unusable space rebuttable presumption is 24 feet, made up of 6 feet of pole height buried and 18 feet of pole height above ground to the presumed first point of attachment ("minimum ground clearance"). GEMC witness Mr. Arnett suggests that the Commission should increase the 18-foot component of unusable support space to 20 feet. He lays out a theoretical construct that asserts that the

FCC's 1978 presumption is tied to outdated National Electric Safety Code ("NESC") guidelines and that newer guidelines are based on the amounts of mid-span cable sag. (Arnett Direct at p. 32). He goes on to assert that EMC average spans are such that the minimum ground clearance for telecommunications cables on EMC poles should be 20 feet or more.

Q. HAS THE FCC COMMENTED ON THE CONCEPT OF MINIMUM GROUND CLEARANCE SINCE THE DATE OF THE SHIFT IN NESC GUIDANCE?

A. Yes. In its April 2000 order, the FCC states:[3]

> 23. In the Second Report and Order, the Commission established that a presumptive average 18 feet of the pole space is reserved for ground clearance. The 18 foot presumption is not dictated by the National Electric Safety Code ("NESC") but is an average to be used in the estimation of total usable space. In the Usable Space Order, we determined that the selection of the 18 foot figure reflected various elements such as differing pole heights, as well as NESC standards that vary depending on the physical environment of the pole. Factors used to determine the NESC standard of minimum ground clearance, include whether the wires or cables cross over railroad tracks, roads, or driveways and the amount of voltage transferred through the cables. In response to the Notice, some electric utilities suggest that the lowest attachment on a pole must be at least 19'8" from the ground in order to accommodate communications cable sag. The electric utilities provide us with "average" sag for a "typical" communications cable, but do not indicate how either was determined. In the Usable Space Order, we carefully considered numerous studies submitted to us before concluding that the 18 foot figure was an appropriate tool to estimate usable space. The data provided by the utilities regarding sag does not demonstrate the same rigor as the studies on which our Usable Space Order was based.

[3] Id. Paragraphs 22-23. Notes omitted.

> 24. The rebuttable nature of the usable space presumption allows for the use of a different minimum ground clearance when necessary to improve the accuracy of the calculations. Presumptions were adopted to encourage expeditious response to complaint information requests. We have not been persuaded that a departure from our well established presumption of an average minimum ground clearance of 18 feet is warranted.

Q. ARE MR. ARNETT'S ASSUMPTIONS WELL FOUNDED?

A. No. Mr. Arnett's assumptions are theoretical, based on "primary distribution" spans from only six EMCs (See Arnett, p. 28 and GEMC Exhibit 37 (WA-20)), and not based on any sort of a survey of actual required NESC-compliant attachment heights on all or even a statistically valid sample of EMC poles with third-party attachers. Mr. Arnett, therefore, has not rebutted the FCC's standard assumption.

Q. DO YOU ACCEPT THE EMCS' USE OF A VALUE OF 2.72 ATTACHING ENTITIES IN ITS SPACE FACTOR DEVELOPMENT?

A. No. I do not accept that value because, to my knowledge, the EMCs have not produced full support for the average number of attaching entities. That said, for purposes of my analysis, I will use the 2.72 value offered by GEMC and will discuss its impact further below.

Q. WHAT IS THE SPACE FACTOR USED BY GEMC AND WHAT IS THE SPACE FACTOR YOU DERIVE INCORPORATING ONLY THE THREE CORRECTIONS YOU DISCUSSED ABOVE?

A. EMC Exhibit 47 (WA-30) identifies the proposed standard space allocation for EMC attachment rates as 31.42%. The space factor that I derive with the three corrections discussed above is only 18.35%.

Q. HOW MUCH OF AN OVERSTATEMENT TO THE GEMC POLE ATTACHMENT RATE CAN BE ATTRIBUTED TO THE INCORRECT SPACE FACTOR?

A. Continuing with my analysis based on the information from Southern Rivers EMC, the adjusted rate after elimination of grounds was $35.58. With the revised space factor, I have discussed here, that rate drops by an additional $14.80 to $20.78.

Q. WHAT ADDITIONAL COMPONENT IS THE EMCS' PROPOSED FORMULA MISSING AS COMPARED TO THE FCC'S NEW TELECOM FORMULA?

A. The EMCs' proposed formula is missing the "Number of Attachers Cost Allocator." As described in my Direct Testimony and in the Direct Testimony of GCA witness Kravtin at pp. 72-73, this is an element adopted by the FCC in 2011, and modified in 2015, that brings the results of the unmodified Telecom Formula into alignment with the FCC's Cable Formula under standard assumptions. The value of this cost

allocator is dependent on the number of attaching entities. I also note that in its 2015 order, the FCC set up a sliding scale such that regardless of the number of attaching entities, the number of attaching entities cost allocator would adjust in such a way that, absent deviations from the FCC's standard rebuttable assumptions, the rate result will be substantially the same as produced under the Cable Formula. As such, the GEMC 2.72 estimate of the average number of attaching entities should have little or no effect on the appropriate rate produced under the New Telecom Formula.

Q. WHAT IS THE IMPACT ON RATES OF EXCLUDING THE NUMBER OF ATTACHERS COST ALLOCATOR FROM THE GEORGIA FORMULA?

A. Continuing with my analysis based on the information from Southern Rivers EMC, the adjusted rate after elimination of grounds and correction of the space factor was $20.78. With the addition of the correct number of attachers cost allocator, tied to the GEMC claimed average number of attaching entities of 2.72, that rate drops by an additional $12.39 to $8.39.

Q. HAVE YOU SUMMARIZED THESE CHANGES INTO AN EXHIBIT THAT COMPARES THE ERRONEOUS APPLICATION OF THE EMCS' PROPOSED FORMULA TO THE CORRECT APPLICATION OF THE FCC'S NEW TELECOM FORMULA?

A. Yes. Exhibit DPR-3, based on the format I presented in my Direct Testimony Exhibit DPR-2, shows the step-by-step transition in rate development for the one publicly released rate development for Southern Rivers EMC. The profound difference in pole attachment rates between the EMCs' proposed formula cost for Southern Rivers pole attachments ($38.85) and New Telecom Formula ($8.39) demonstrates that the EMCs' proposed formula produces attachment rates that are unjust and unreasonable.

Q. ARE THERE ANY ADDITIONAL ISSUES THAT SHOULD HAVE BEARING ON THE FINAL RATE OR RATES ADOPTED FOR THE EMCS IN THIS CASE?

A. Yes. First, in my Direct Testimony, I recommended that, consistent with recent precedent, the Commission adopt an authorized return on equity of 9.60% and an overall rate of return of 8.00% in determining pole attachment rates EMCs may charge communications service providers. This value is below the GEMC and GCA proposed rate of return proposals of 8.50% and 9.75%, respectively.

Second, one of the FCC's rebuttable presumptions is that power company pole investments should be reduced by 15% to account for appurtenances (e.g., cross arms, etc.) that are not used and useful in providing attachment space for third party attachers. If any EMC proposes to use a value different from the 15% presumptive number, the Commission should require that EMC to provide substantial evidence to rebut the FCC standard value.

Q. BEYOND THE PROBLEMS WITH THE EMCS' PROPOSED FORMULA YOU HAVE DISCUSSED ABOVE, DO YOU HAVE ANY OTHER CONCERNS OF WHICH THE COMMISSION SHOULD BE AWARE?

A. Yes. GEMC Exhibit 21 derives a supposed statewide average EMC pole attachment rate of $37.95. This average is derived based on a weighting developed from the identified number of cable pole attachments in service. This approach is wrong as it fails to reflect the average availability of pole attachments across EMC territories. The better weighting mechanism, if one is used, would be based on the number of distribution poles owned by each EMC. Based on GEMC proposed, but wholly wrong, individual company cost rates, Exhibit DPR-4 compares the EMC proposed rate of $37.95 to a weighted rate using the total number of distribution poles reported by the EMCs that produces a weighted rate of only $32.11. The erroneous weighting methodology yields the EMCs an 18% premium in the average rate and should be rejected by the Commission.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

Exhibit DPR-3 (Page 1 of 2)

Southern Rivers EMC Pole Rate Using the EMC Proposed Formula and Corrections

I. Summary - Rate Development							
Line #	Description	Proposed Formula	Exclude Grounds	Space Factor	Allocator	Source	Notes
1	Space Factor	31.42%	31.42%	18.35%	18.35%	[13]	
2	Net Cost Per Bare Pole	$ 352.70	$ 322.88	$ 322.88	$ 322.88	[20]	
3	Carrying Charge Rate	35.07%	35.07%	35.07%	35.07%	[21]	
4	Cost Allocator	1	1	1	0.4036	EMC proposed formula / FCC Default	See 47 CFR § 1.1406(d)(2)(i)
5	New Telecom Rate	$ 38.87	$ 35.58	$ 20.78	$ 8.39	[1] * [2] * [3] * [4]	See 47 CFR § 1.1406(d)(2)(i)

II. Space Factor							
Line #	Description	Proposed Formula	Exclude Grounds	Space Factor	Allocator	Source	Notes
6	Space Occupied	1.0	1.0	1.0	1.0	FCC Default	See 47 CFR § 1.14010
7	Two Thirds	1.000	1.000	0.667	0.667	EMC proposed formula / FCC Default	See 47 CFR § 1.1406(d)(2)(i)
8	Pole Height	37.50	37.50	37.50	37.50	FCC Default	See 47 CFR § 1.14010
9	Usable Space	8.17	8.17	8.17	8.17	[8] - [10]	See 47 CFR § 1.14010
10	Unusable Space	29.33	29.33	24.00	24.00	(6'+20'+3.33') / (6'+18'+0')	See 47 CFR § 1.14010
11	Number of Attaching Entities	2.72	2.72	2.72	2.72	EMC proposed formula	See 47 CFR § 1.1409(c) and (d)
12	Space Factor	31.42%	31.42%	18.35%	18.35%	{ [6] + ([7] * [10] / [11]) } / [8]	See 47 CFR § 1.1406(d)(2)

III. Net Cost Per Bare Pole							
Line #	Description	Proposed Formula	Exclude Grounds	Space Factor	Allocator	Source	Notes
13	Gross Pole Investment	$ 21,730,901	$ 21,730,901	$ 21,730,901	$ 21,730,901	[C1]	
14	Pole Accumulated Depreciation	$ 5,956,440	$ 5,956,440	$ 5,956,440	$ 5,956,440	[13] * [A3]	
15	Pole Accumulated Deferred Taxes	$ -	$ -	$ -	$ -	[13] * [D7]	
16	Net Pole Investment	$ 15,774,461	$ 15,774,461	$ 15,774,461	$ 15,774,461	[13] - [14] - [15]	
16a	Account 365 Grounds	$ 1,852,266	$ -	$ -	$ -	EMC proposed formula	
16b	Grounds Accumulated Depreciation	$ 507,706	$ -	$ -	$ -	[16a] * [A3]	
17	Number of Poles	45,098	45,098	45,098	45,098	Southern Rivers Data	
18	Appurtenance Factor	0.9231	0.9231	0.9231	0.9231	Southern Rivers Data	2 FCC Rcd 4387 ¶ 19 (1987)
19	Net Cost Per Bare Pole	$ 352.70	$ 322.88	$ 322.88	$ 322.88	[16] / [17] * [18] + ([16a] - [16b]) / [17]	

IV. Carrying Charge Rate							
Line #	Description	Proposed Formula	Exclude Grounds	Space Factor	Allocator	Source	Notes
20	Total Carrying Charge Rate	35.07%	35.07%	35.07%	35.07%	[23] + [26] + [30] + [33] + [34]	
21	General and Administrative Expense	$ 4,700,545	$ 4,700,545	$ 4,700,545	$ 4,700,545	Southern Rivers Data	
22	Net Utility Investment	$ 65,911,658	$ 65,911,658	$ 65,911,658	$ 65,911,658	[B4]	
23	General And Administrative Rate	7.13%	7.13%	7.13%	7.13%	[21] / [22]	
24	Maintenance Expense	$ 4,021,667	$ 4,021,667	$ 4,021,667	$ 4,021,667	Southern Rivers Data	
25	Net Investment Acct 364, 365, 369	$ 31,017,282	$ 31,017,282	$ 31,017,282	$ 31,017,282	[C7]	
26	Maintenance Rate	12.97%	12.97%	12.97%	12.97%	[24] / [25]	
27	Distribution Plant Depreciation Rate	4.00%	4.00%	4.00%	4.00%	Southern Rivers Data	
28	Gross Pole Investment	$ 23,583,167	$ 21,730,901	$ 21,730,901	$ 21,730,901	[13] + [16a]	
29	Net Pole Investment	$ 17,119,021	$ 15,774,461	$ 15,774,461	$ 15,774,461	[16] + [16a] - [16b]	
30	Distribution Depreciation Rate	5.51%	5.51%	5.51%	5.51%	[27] * [28] / [29]	
31	Operating Taxes	$ 633,807	$ 633,807	$ 633,807	$ 633,807	[E7]	
32	Net Utility Investment	$ 65,911,658	$ 65,911,658	$ 65,911,658	$ 65,911,658	[B4]	
33	Tax Rate	0.96%	0.96%	0.96%	0.96%	[31] / [32]	
34	Rate of Return	8.50%	8.50%	8.50%	8.50%	EMC proposed formula	

Exhibit DPR-3 (Page 2 of 2)

Southern Rivers EMC Pole Rate Using the EMC Proposed Formula and Corrections

Line #	Description	Intermediate Calculations: Proposed Formula	Exclude Grounds	Space Factor	Allocator	Source	Notes
	Distribution Plant Reserve Ratio						Actual accumulated depreciation for Accounts 364, 365 and 369 should be used when available Modify sections "A" and "C" as appropriate.
A1	Distribution Plant	$ 82,428,751	$ 82,428,751	$ 82,428,751	$ 82,428,751	Southern Rivers Data	
A2	Accumulated Depreciation - Distribution	$ 22,592,043	$ 22,592,043	$ 22,592,043	$ 22,592,043	Southern Rivers Data	
A3	Distribution Plant Reserve Ratio	0.2741	0.2741	0.2741	0.2741	[A2] / [A1]	
	Net Utility Investment						
B1	Total Utility Plant	$ 95,577,234	$ 95,577,234	$ 95,577,234	$ 95,577,234	Southern Rivers Data	
B2	Total Plant Accumulated Depreciation	$ 29,665,576	$ 29,665,576	$ 29,665,576	$ 29,665,576	Southern Rivers Data	
B3	Total Plant Accumulated Deferred Income Taxes	$ -	$ -	$ -	$ -	[D5]	
B4	Net Utility Investment	$ 65,911,658	$ 65,911,658	$ 65,911,658	$ 65,911,658	[B1] - [B2] - [B3]	
	Net Investment Acct 364, 365, 369						
C1	Acct 364 Poles, Towers and Fixtures	$ 21,730,901	$ 21,730,901	$ 21,730,901	$ 21,730,901	Southern Rivers Data	
C2	Acct 365 Overhead Conductors and Devices	$ 18,824,293	$ 18,824,293	$ 18,824,293	$ 18,824,293	Southern Rivers Data	
C3	Acct 369 Services	$ 2,174,220	$ 2,174,220	$ 2,174,220	$ 2,174,220	Southern Rivers Data	
C4	Total Acct 364, 365, 369	$ 42,729,414	$ 42,729,414	$ 42,729,414	$ 42,729,414	[C1] + [C2] + [C3]	
C5	Accumulated Depreciation Acct 364, 365, 369	$ 11,712,132	$ 11,712,132	$ 11,712,132	$ 11,712,132	[C4] * [A3]	
C6	Accumulated Deferred Income Taxes Acct 364, 365, 369	$ -	$ -	$ -	$ -	[C4] * [D7]	
C7	Net Investment Acct 364, 365, 369	$ 31,017,282	$ 31,017,282	$ 31,017,282	$ 31,017,282	[C4] - [C5] - [C6]	
	Deferred Income Taxes						
D1	Acct 190 (dr)	$ -	$ -	$ -	$ -	N/A	It is expected that the deferred tax entries will have values of zero because of the non-profit character of EMCs.
D2	Acct 281 (cr)	$ -	$ -	$ -	$ -	N/A	
D3	Acct 282 (cr)	$ -	$ -	$ -	$ -	N/A	
D4	Acct 283 (cr)	$ -	$ -	$ -	$ -	N/A	
D5	Total (-190+(281 to 283))	$ -	$ -	$ -	$ -	- [D1] + [D2] + [D3] + [D4]	
D6	Total Utility Plant	$ 95,577,234	$ 95,577,234	$ 95,577,234	$ 95,577,234	[B1]	
D7	Accumulated Deferred Tax Ratio	0.0000	0.0000	0.0000	0.0000	[D5] / [D6]	
	Operating Taxes						
E1	Acct 408.1 Taxes Other Than Income Taxes	$ 633,807	$ 633,807	$ 633,807	$ 633,807	Southern Rivers Data	Several tax entries are expected to have values of zero because of the non-profit character of EMCs.
E2	Acct 409.1 Income Taxes - Federal	$ -	$ -	$ -	$ -	N/A	
E3	Acct 409.1 Income Taxes - Other	$ -	$ -	$ -	$ -	N/A	
E4	Acct 410.1 Provision for Deferred Income Taxes	$ -	$ -	$ -	$ -	N/A	
E5	Acct 411.4 Investment Tax Credit Adj	$ -	$ -	$ -	$ -	N/A	
E6	Less Acct 411.1 Prov for Def Income Taxes-Cr	$ -	$ -	$ -	$ -	N/A	
E7	Operating Taxes	$ 633,807	$ 633,807	$ 633,807	$ 633,807	[E1] + [E2] + [E3] + [E4] + [E5] - [E6]	

Exhibit DPR-4

Weighted Average Attachment Rate -- Cable Attachments vs Distribution Poles Owned

	EMC Exhibit 21 (WA-4) Basis			Exhibit E (Discovery) Basis		
EMC	Cable Attachments	EMC Claimed Rate	Weighted Average	2019 Poles Owned	EMC Claimed Rate	Weighted Average
A	B	C	D	E	F	G
Altamaha	4,133	$25.14	$0.18	58,946	$25.14	$0.64
Amicalola	5,248	$31.97	$0.29	74,750	$31.97	$1.03
Canoochee	9,519	$27.21	$0.44	45,171	$27.21	$0.53
Carroll	22,735	$33.85	$1.31	93,370	$33.85	$1.36
Central Georgia	17,836	$25.20	$0.76	77,327	$25.20	$0.84
Coastal	7,882	$38.92	$0.52	22,029	$38.92	$0.37
Cobb	49,970	$53.19	$4.52	71,404	$53.19	$1.64
Colquitt	23,726	$19.83	$0.80	148,474	$19.83	$1.27
Coweta-Fayette	38,179	$36.47	$2.37	59,494	$36.47	$0.93
Diverse Power	20,380	$33.08	$1.15	75,748	$33.08	$1.08
Excelsior	1,931	$25.16	$0.08	53,909	$25.16	$0.58
Flint	23,252	$36.30	$1.44	80,214	$36.30	$1.25
Grady	6,169	$25.16	$0.26	59,662	$25.16	$0.65
GreyStone	40,329	$48.32	$3.32	72,177	$48.32	$1.50
Habersham	16,546	$38.09	$1.07	47,514	$38.09	$0.78
Hart	26,626	$25.87	$1.17	80,475	$25.87	$0.90
Irwin	1,286	$20.41	$0.04	39,838	$20.41	$0.35
Jackson	53,443	$48.28	$4.39	134,497	$48.28	$2.80
Jefferson Energy	21,077	$23.25	$0.83	68,132	$23.25	$0.68
Little Ocmulgee	2,479	$24.55	$0.10	38,787	$24.55	$0.41
Middle Georgia	1,821	$25.98	$0.08	25,079	$25.98	$0.28
Mitchell	7,549	$31.47	$0.40	67,986	$31.47	$0.92
Ocmulgee	3,131	$25.53	$0.14	30,821	$25.53	$0.34
Oconee	4,252	$26.85	$0.19	35,108	$26.85	$0.41
Okefenoke	9,579	$31.47	$0.51	58,785	$31.47	$0.80
Planters	5,080	$19.51	$0.17	47,659	$19.51	$0.40
Rayle	1,365	$24.12	$0.06	55,787	$24.12	$0.58
Satilla	17,397	$25.03	$0.74	125,902	$25.03	$1.36
Sawnee	34,814	$72.51	$4.30	60,308	$72.51	$1.88
Slash Pine	1,644	$21.57	$0.06	25,394	$21.57	$0.24
Snapping Shoals	36,497	$38.12	$2.37	53,595	$38.12	$0.88
Southern Rivers	5,530	$38.85	$0.37	45,098	$38.85	$0.75
Sumter	3,187	$31.35	$0.17	49,330	$31.35	$0.67
Three Notch	585	$28.72	$0.03	41,078	$28.72	$0.51
Tri-County	11,569	$30.23	$0.60	43,847	$30.23	$0.57
Upson	4,487	$18.83	$0.14	20,708	$18.83	$0.17
Walton	42,087	$33.42	$2.39	82,962	$33.42	$1.19
Washington	4,285	$26.43	$0.19	50,187	$26.43	$0.57
Total	587,605			2,321,552		
Weighted Average Attachment Rate			**$ 37.95**			**$ 32.11**
Cable Attachments Avg exceeds Owned Poles Avg >>			18.19%			

Formulas:	D = (B EMC / B Total) x C	G = (E EMC / E Total) x F

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

In Re:	)	
Generic Proceeding to Implement	)	Docket No. 43453
House Bill 244	)	
	)	

CERTIFICATE OF SERVICE

This is to certify that on this 9th day of November, 2020, I served a copy of the foregoing, upon known parties of record, via electronic mail as follows:

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