

STATE OF UTAH
2003
COMPUTATION OF ANNUAL POLE ATTACHMENT RENTAL RATE
PACIFICORP, d.b.a. PACIFIC POWER & UTH POWER

A. New Investment Per Bare Pole

(1)	Investment in wood poles & fixtures	\$370,786,082
(2)	Less depreciation reserve associated With Item (1)	(\$134,237,118)
(3)	Less deferred Federal income taxes Associated with Item (1)	<u>(\$33,401,051)</u>
(4)	Net investment in poles and support Equipment	\$203,147,914
(5)	Less Crossarms & Appurtenances	<u>(30,472,187)</u>
(6)	New Investment in poles and support equipment	\$172,675,727
(7)	Total number of wood poles	<u>+424,302</u>

New Pole Value

\$406.96 (PV)

B. Annual Carrying Charge

(1)	Depreciation Expenses	6.74%
(2)	Administration and General Expenses	3.02%
(3)	Maintenance Expenses	4.93%
(4)	Taxes	4.17%
(5)	Authorized Cost of capital	8.87%

27.73% (CC)

C.	(1)	Usable space on pole, in feet	13.5
	(2)	Effective space occupied by Licensee Attachment	1.0

7.41% (PR)

D. Annual Pole Attachment Rate

(PV) X (CC) X (PR)

\$8.36

E. 2003 Basic Rate (2001 escalated at 2.5% per year)

\$8.79

F. Surcharge for actual A&G costs directly associated to pole attachments

\$0.41

2003 TOTAL ANNUAL RENTAL RATE PER ATTACHMENT

\$9.20

$$\begin{aligned}\text{UNUSABLE SPACE} &= (2/3) (24/37.5) (\$406.96/2) (27.73\%) \\ &= (.67) (.64) (\$203.48) (.2773) \\ &= \$24.20\end{aligned}$$

$$\begin{aligned}\$24.20 - 9.20 &= \$15.00 \\ \$15.00 (.60) &= \$ 9.00 \\ \$9.00 + 9.20 &= \mathbf{\$18.20}\end{aligned}$$

The telecommunications rate for each attachment to PacifiCorp owned poles in the state of Utah is \$18.20.

NOTE: All data is as of end of business on December 31, 2001, except where noted.